



USAID
FROM THE AMERICAN PEOPLE

TRANSPARENT LOCAL GOVERNANCE AND IMPROVED SERVICE DELIVERY

SEMI ANNUAL TECHNICAL PERFORMANCE REPORT
APRIL 01 – SEPTEMBER 30, 2014

October 31, 2014

This publication was produced for review by the United States Agency for International Development and prepared by Deloitte Consulting LLP.

TRANSPARENT LOCAL GOVERNANCE AND IMPROVED SERVICE DELIVERY

**SEMI ANNUAL TECHNICAL PERFORMANCE REPORT
APRIL 01 – SEPTEMBER 30, 2014**

Prepared for:

USAID/Honduras, Office of Democracy & Governance

Prepared by:

Deloitte.

Contract No. AID-522-C-11-00002

October 31, 2014

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Table of Contents

| | |
|--|-----------|
| Abbreviations | 5 |
| 1. Executive Summary | 1 |
| 2. Introduction & Overview..... | 6 |
| 2.1 Scope and Objective | 6 |
| 2.2 Strategic Framework | 6 |
| 2.3 Transparent Local Governance & Improved Service Delivery Goals | 7 |
| 2.4 Performance Ranking | 8 |
| 3. Performance Assessment by Result..... | 26 |
| 3.1 Result 1: Civil Society Advocacy for Improved Local Services Increased | 26 |
| 3.2 Result 2: Local Institutional Capacity to Deliver Decentralized Services Strengthened | 35 |
| 3.3 Result 3: Structures and Systems to Implement Reform Strengthened | 46 |
| 3.4 Activity Area 1: Small grants | 51 |
| 3.5 Activity Area 2: Small infrastructure projects | 53 |
| 3.6 Rapid Response Fund | 56 |
| 4. Gender and Youth | 56 |
| 4.1 Gender | 56 |
| 4.2 Youth | 57 |
| 5. Communication Strategy for the Program | 58 |
| 6. Training Events. | 60 |
| 7. Deliverables Submitted | 62 |
| 8. Conclusions..... | 62 |
| 9. Annexes | 65 |
| Annex A: Quality control process of the decentralized primary health service index data. | 65 |
| Annex B: 2014 Score of the Decentralized Primary Health Services Index | 66 |
| Annex C: Quality Control Process for the Water Service Index Data | 67 |
| Annex D: 2014 Score for the Integrated Water Service Index | 68 |
| Annex E: Agreements Established Between Local Government and Civil Society in C and D Municipalities..... | 69 |
| Annex F: Accumulated In-kind Grants. | 71 |
| Annex G: CSO Monetary Grants Year 3..... | 72 |
| Annex H: Summary of Small Infrastructure Projects (SIP). September 2014. | 73 |
| Annex I. People Trained by Result (April-September 2014)..... | 76 |
| Annex J. Contract Financial Execution. | 77 |

Tables

| | |
|--|----|
| TABLE 1: RANKING CRITERIA..... | 9 |
| TABLE 2: GOALS AND INDICATORS OF THE PMP FOR YEAR THREE..... | 11 |

| | |
|--|----|
| TABLE 3: AVERAGE SATISFACTION BY GROUP AND AREA OF RESIDENCE. | 12 |
| TABLE 4: INVESTMENT IN A AND B MUNICIPALITIES, BY SERVICE. | 13 |
| TABLE 5: INVESTMENT IN C AND D MUNICIPALITIES BY SERVICE. | 13 |
| TABLE 6: RATING SCALES FOR INDEX RESULTS. | 14 |
| TABLE 7: INDEX HEALTH SCORE, ACCORDING TO VARIABLE AND SUB VARIABLE BY YEAR. | 15 |
| TABLE 8: AVERAGE SCORE OF THE WATER SERVICE INTEGRAL INDEX, ACCORDING TO EVALUATED SUB VARIABLE AND MUNICIPAL CATEGORY. | 16 |
| TABLE 9: AVERAGE SCORE OF THE WATER SERVICE INTEGRAL INDEX 2014, ACCORDING TO MANCOMUNIDAD. | 17 |
| TABLE 10: EVALUATED SUB VARIABLES WITH THE HIGHEST POSITIVE VARIATIONS. | 18 |
| TABLE 11: OWN SOURCE REVENUE STRUCTURE (C AND D MUNICIPALITIES). | 21 |
| TABLE 12: NUMBER OF LOCAL GOVERNMENTS ASSISTED BY AREA (C AND D). | 21 |
| TABLE 13: NUMBER OF MEN AND WOMEN WHO RECEIVED USG ASSISTED TRAINING (C AND D MUNICIPALITY). | 22 |
| TABLE 14: OBSTACLES AND SOLUTIONS PROPOSED FOR THE PROCESS OF DECENTRALIZATION OF HEALTH SERVICES. | 23 |
| TABLE 15: NUMBER OF MEN AND WOMEN WHO RECEIVED USG ASSISTED TRAINING INCLUDING MANAGEMENT SKILLS AND FISCAL MANAGEMENT TO STRENGTHEN DECENTRALIZATION. | 24 |
| TABLE 16: CIVIL SOCIETY ORGANIZATIONS STRENGTHENED DURING APRIL -SEPTEMBER 2014. | 28 |
| TABLE 17: SOCIAL OVERSIGHT EXERCISES BY MUNICIPALITY. | 29 |
| TABLE 18: SOCIAL OVERSIGHT EXERCISES BY MUNICIPALITY (JUL-SEPT. 2014). | 29 |
| TABLE 19: FOLLOW-UP ON AGREEMENTS TAKEN BY TARGET MUNICIPALITIES BETWEEN APRIL AND SEPTEMBER 2014. | 34 |
| TABLE 20: OBSTACLES AND REMEDIAL ACTIONS FOR RESULT 1 | 34 |
| TABLE 21: PROGRESS IN RUC IMPLEMENTATION, TO SEPTEMBER 2014. | 36 |
| TABLE 22: RESULTS OF IMPLEMENTATION OF ADMINISTRATIVE FEE FOR RECOVERY OF ARREARS. | 37 |
| TABLE 23: PROGRESS IN UPDATING OR CADASTRAL SURVEY. | 37 |
| TABLE 24: RATE CHANGES FOR SERVICE PROVISION IN CUCUYAGUA. | 40 |
| TABLE 25: IMPACT ON REVENUE FROM RATE CHANGES IN CUCUYAGUA. | 40 |
| TABLE 26: RESULTS OF USERS' CADASTER BY SEPTEMBER 2014. | 42 |
| TABLE 27: SCOPE OF TECHNICAL ACTIVITIES IN FOUR A AND B CATEGORY MUNICIPALITIES. | 44 |
| TABLE 28: RECOMMENDATIONS IMPLEMENTED BY A/B MUNICIPALITIES AS PART OF THE TECHNICAL ASSISTANCE PROVIDED BY USAID NEXOS. | 44 |
| TABLE 29: OBSTACLES AND REMEDIAL ACTIONS FOR RESULT 2. | 45 |
| TABLE 30: ASSESSMENT RESULTS PER PROVIDER MANCOMUNIDAD BY YEAR, TO SEPTEMBER 2014. | 49 |
| TABLE 31: RESULTS OF THE APPLICATION OF THE HEALTH INDEX BY ASPECT, YEAR AND SERVICE PROVIDER. | 50 |
| TABLE 32: RESULT 3 OBSTACLES AND REMEDIAL ACTIONS | 51 |
| TABLE 33: PROGRESS IN ONGOING PROJECTS DURING APRIL-SEPTEMBER 2014. | 54 |
| TABLE 34: USAID NEXOS SMALL INFRASTRUCTURE PROJECTS - KEY ACTIVITIES FOR YEAR 4, SEMESTER 1 | 55 |
| TABLE 35: MEDIA COVERAGE IN PROGRAM EVENTS. | 59 |
| TABLE 36: TRAINING EVENTS SUMMARY FOR Y3S2 | 61 |
| TABLE 37: DELIVERABLES SUMMITED DURING THE PROGRAM'S THIRD YEAR. | 62 |
| TABLE 38: SAMPLE OF MUNICIPALITIES IN WHICH ADJUSTMENTS WERE MADE TO THE INITIAL HEALTH INDEX SCORE. | 65 |
| TABLE 39: PRIMARY HEALTH SERVICE INDEX'S SCORE, ACCORDING TO EVALUATED VARIABLE AND MUNICIPALITY. | 66 |
| TABLE 40: FIELD VISITS DONE IN MUNICIPALITIES TO VERIFY DATA CONSISTENCY OF THE WATER INDEX. | 67 |
| TABLE 41: INTEGRATED WATER SERVICE INDEX SCORE, BY EVALUATED VARIABLE AND MUNICIPALITY. | 68 |

Table of Figures

| | |
|--|----|
| FIGURE 1: USAID/HONDURAS DG PROGRAM STRATEGIC FRAMEWORK | 7 |
| FIGURE 2: RANKING DEFINITIONS | 8 |
| FIGURE 3: SELECTED INDICATORS AND THEIR LEVEL OF IMPACT. | 9 |
| FIGURE 4: LEVEL OF SATISFACTION FOR HEALTH SERVICE, PER GROUP. | 12 |
| FIGURE 5: RESULTS OF THE INDEX APPLICATION, BY YEAR AND ASSESSED ASPECT. | 14 |
| FIGURE 6: DECENTRALIZED PRIMARY HEALTH SERVICES SCORE, ACCORDING TO CATEGORY OF MUNICIPALITY AND EVALUATED VARIABLE. | 15 |
| FIGURE 7: RESULTS OF THE APPLICATION OF THE INDEX PER YEAR AND ASSESSED ASPECT. | 16 |
| FIGURE 8: PROGRESS ACHIEVED ON THE INDICATOR 6 TH BY GENDER (A AND B MUNICIPALITIES). | 18 |

| | |
|---|----|
| FIGURE 9: PROGRESS ACHIEVED ON THE INDICATOR 6 TH BY GENDER (C AND D MUNICIPALITIES). | 19 |
| FIGURE 10: PROGRESS ACHIEVED ON THE INDICATOR 9 TH BY GENDER. | 20 |
| FIGURE 11: PROGRESS ACHIEVED ON THE INDICATOR 13 TH FOR A AND B MUNICIPALITIES BY GENDER. | 22 |
| FIGURE 12: BROAD TIMELINE OF ACTIVITY TYPES FOR PROJECT YEAR 3..... | 26 |
| FIGURE 13: RESULT 1 PROGRAMMED ACTIVITIES FOR Y4S1..... | 35 |
| FIGURE 14: RESULT 2 PROGRAMMED ACTIVITIES FOR Y4S1..... | 46 |
| FIGURE 15: RESULT 3 PROGRAMMED ACTIVITIES FOR Y4S1 | 51 |
| FIGURE 16: PERCENTAGE OF PROJECTS FORMULATED BY AREA | 53 |
| FIGURE 17: SMALL INFRASTRUCTURE PROJECTS PROGRAMMED ACTIVITIES FOR Y4S1 | 55 |

Abbreviations

| | |
|----------|---|
| AIN-C* | Comprehensive Child Care in the Community Strategy |
| AJAAM* | Association of Municipal Water Boards |
| AMHON* | Honduran Municipal Association |
| ASIS* | Health Situation Analysis |
| CAS | Country Assistance Strategy |
| CCS* | Community Health Committees |
| CCT* | Citizens Commission of Transparency |
| CED* | Educational Development Center |
| CEFASA* | Family and Community Census |
| CESAMO* | Health Unit with Doctor and Dentist |
| CESAR* | Rural Health Unit |
| CM* | Municipal Commissioner |
| CMI* | Maternal-Infant Clinic |
| COMAS* | Municipal Water and Sanitation Commission |
| COMDE* | Municipal Council for Educational Development |
| CSO | Civil Society Organization |
| CUSP* | Public Services Users Cadaster |
| DCOP | Deputy Chief of Party |
| DEE | Decentralization Enabling Environment |
| DEI* | Executive Revenue Directorate |
| DG | Democracy & Governance |
| DGA* | Environmental Management Directorate |
| DGD* | Decentralized Management Unit |
| DIA* | Alternate Integral Development |
| EAPS* | Primary Health Attention Teams |
| ENAPREA* | National Strategy for the Prevention of Teenage Pregnancy |
| ETIFC* | Work, Individual, Family and Community Strategy |
| FOVIMA* | Joint Road Fund |
| FHIS* | Honduran Social Investment Fund |
| IDECOAS* | Institute for Community Development, Water and Sanitation |
| JAA* | Water Managing Boards |

| | |
|---------|--|
| IR | Intermediate Result |
| M&E | Monitoring & Evaluation |
| PATH* | Honduras Land Administration Program |
| PMP | Performance Monitoring Plan |
| PPI* | Small Infrastructure Projects |
| RCS* | Health Committees Network |
| RDS* | Departmental Health Regions |
| RFA | Request for Application |
| RUC* | Single Tax Payers' Registry |
| SAFT* | Financial and Tax Administrative System |
| SAMI* | Municipal Financial Management System |
| SANAA* | National Autonomous Service of Aqueducts and Sewers |
| SDHJGD* | Ministry of Human Rights, Justice, Interior and Decentralization |
| SERNA* | Ministry of Natural Resources and Environment |
| SESAL | Ministry of Health |
| CESAMO* | Health Unit with Doctor and Dentist |
| SIMAFI* | Municipal Administrative and Financial Information System |
| SO | Strategic Objective |
| Sub IR | Sub Intermediate Result |
| TSC* | Superior Accountability Court |
| ULAT | Technical Assistance Local Unit |
| UNAH* | National Autonomous University of Honduras |
| USAID | United States Agency for International Development |
| USCL* | Local Control and Monitoring Unit |
| USG | United States Government |
| UTI* | Inter-Municipal Technical Unit |
| WMO | Women's Municipal Office |

*Acronyms in Spanish

1. Executive Summary

The USAID Transparent Local Governance and Improved Service Delivery Program (heretofore called “the Program”) seeks to achieve the following objective during the implementation of the contract: strengthen Honduran democracy in approximately ten networks that include approximately forty municipalities, by increasing citizen satisfaction with and participation in decentralized, democratic government-provided or regulated services through improved service delivery, which will result in more accountable, transparent government.

This is the sixth semi-annual report submitted, in compliance with section F of the contract. It covers all activities developed between April and September 2014. The obtained relevant results are described as follows.

In relation to Result 1, “Civil society advocacy for improved local services increased”, the Program continued to strengthen civil society's role in local service management, in the mancomunidades of MAVAQUI, CHORTI, MANCOSOL, MOCALEMPA, CAFEG and MAMBOCAURE and in the municipality of Lepaera. Work with different civil society organizations, such as health committee networks, municipal water board associations (AJAAM), Citizens' Commission of Transparency (CCT), Municipal Commissioner, youth and women's networks, Water and Sanitation Municipal Commission (COMAS), Local Control and Supervision Unit (USCL) and Educational Development Municipal Council (COMDE), allowed the formulation of rural water plans and strategic health and education plans.

During this period, advocacy was more evident with the development of different social audits done for health, water and education sectors in 15 municipalities (4 from MAVAQUI, 3 from HIGUITO, 3 from MAMBOCAURE, and the municipalities of San Nicolas, San Antonio, Gualcinse, Piraera and San Andres). As a result of this activity, the involvement of users in service management was improved; civil society influenced the allocation of funds in the 2014-2015 municipal budget to support the work of the CCT and Municipal Commissioner; criteria were established to meet health emergencies, pregnant women, senior citizens and children, to improve service in health units; and the women's networks were included in monitoring the use of public resources.

In A and B municipalities, the involvement of civil society was promoted to improve solid waste and slaughterhouse services, strengthened through the Program's technical assistance. This led to an improved coordination between civil society and local government, and joint decision-making for service improvement and implementation of new management models.

The implementation of participative mechanisms enabled joint decision-making between local governments and civil society in C and D municipalities.

These participative mechanisms, in which education was prioritized in some municipalities such as San Sebastian, allowed a joint effort between the local government and civil society to address the problem related to the high percentage (almost 50%) of one-teacher schools. The coordinated actions resulted in obtaining two teaching posts for the schools in the villages of

Sucte and Rancho Pericon, with an enrollment of 71 and 83 students, respectively. Currently, both parts are committed to solving this problem in the rest of the municipal schools.

The participatory and transparent governance model, promoted by USAID|NEXOS, also included the development of communication strategies in other municipalities such as Cucuyagua, Azacualpa, Belén and Lepaera. These strategies promoted an active participation of citizens in the different stages of service management. In Cucuyagua and Azacualpa, agreements were done to review and adjust water fees and for domestic separation of household solid wastes, among others agreements made for service improvement.

In relation to Result 2, “Local institutional capacity to deliver decentralized services strengthened”, the implementation of strategies to generate own revenues in the municipalities and local service improvement was continued. Twenty-three municipalities continued implementing the Single Taxpayers' Registry (RUC), incorporating between 664 and 11,671 users in the database.

The efforts of the municipal technicians were focused mainly on the process of recovery of arrears. As a result, twelve municipalities collected more than five million of lempiras in recovery of arrears for taxes and service fees.

Cadastral update or maintenance was promoted in six target municipalities, in which 1,075 new land lots were incorporated in the municipal cadaster.

Given that the Municipalities Law establishes that cadastral values may be adjusted in years ending in zero (0) and five (5), the municipal corporations from 19 target municipalities approved the new cadastral value catalogue developed with assistance from USAID|NEXOS. These new values will be socialized with the communities and then proceed to real estate tax collection.

On the other hand, four municipalities were assisted in preparing a study for defining or expanding the urban boundaries. To date, the municipal corporations have approved this study; this process is expected to be concluded in the next period.

The implementation of financial accounting was concluded in the six mancomunidades from MANCOSOL. These municipalities have an accounting unit, budget structure and human resources and materials to have an updated accrual accounting. Currently, they have the capacity to generate their own financial statements (balance reports, income and expenditure reports, among others).

The preparation of quarterly accountability reports was another area in which the target municipalities were assisted. As a result, 18 municipalities received the municipal transfer corresponding to the 2014 second quarter, by presenting in time and in form the financial information required by the respective government institutions.

Local services were benefited by the strengthening of the municipal structure for managing local services in the municipalities of HIGUITO and Lepaera; by the introduction of solid wastes services in Nueva Frontera; by the promotion of a decentralized municipal unit that provides water and sanitation services in San Nicolas and Azacualpa; by the beginning of the process of

delegation of the water service to the water board in San Antonio; by the promotion of the process of delegation of the solid waste collection service to the water board in Proteccion; and the implementation of the users' cadaster for water, sewage, and solid waste collection services in 15 municipalities.

The municipalities of Corquin, San Pedro de Copan, Cucuyagua and Lepaera approved the change of tariffs for local service provision. Currently, the last two municipalities are applying these tariffs in billing.

The municipalities that are implementing the public service users' cadaster identified more than seven thousand new users that received the service but were not paying for it, thus reducing the amount of illegal users. This also contributed to the generation of own income through the payment of service tariffs.

Road maintenance is another service strengthened by USAID|NEXOS, specifically in the mancomunidad of CAFEG. The Joint Technical Road Unit (UTVM) is currently operating, and the mancomunidad's board approved the creation of the Joint Road Fund (FOVIMA).

In A and B municipalities the solid waste and slaughterhouse services were strengthened. In downtown Comayagua, two solid waste collection routes were modified; one of them increased service frequency from one day to two days a week. The municipal corporations of Santa Barbara and Marcala, in response to the recommendations of the proposal for service improvement, selected a site for the construction of the municipal landfill.

Among the recommendations implemented in Puerto Cortes is the cleaning of the septic tank built in previous years to monitor and treat leachate produced in the landfill, in order to evaluate its operating conditions and make decisions regarding its rehabilitation and operation.

Strengthening of the slaughterhouse service in Santa Rosa de Copan included a feasibility study to determine the actual and potential demand of the service. Likewise, the current situation analysis for the slaughterhouse was prepared, as well as the final slaughterhouse design (blueprints, budget, construction specifications), the strategy to implement the management model and its business plan.

Health is another service assisted by the Program. During this period, more than 50% of the decentralized health service providers assisted by the Program received scores above 85% in the monitoring conducted by the Ministry of Health, avoiding the financial penalties stipulated in the agreements.

The service providers assisted by the Program continued to receive strengthening to improve planning, to improve the prevention of maternal and child deaths, to improve service management and comply with the provisions of the health agreements, among others. Likewise, the implementation of the National Basic Curriculum for Training of Health Service Providers was begun in areas that were not covered in previous periods.

These results contributed to the fulfillment of the goals established in the performance monitoring plan. Overall, USAID|NEXOS complied with more than 80% of the goals with a rating

of "acceptable" or "above expectations". The other 20% of the goals showed a level of compliance "at risk" or "below expectations", which is why the Program will be taking the necessary measures during the next period to overcome this situation.

During this period, the Program continued to establish links to coordinate and collaborate with government institutions and other programs that work in the same areas of interest. The support given to target municipalities for developing financial reports, which are mandatory for the disbursement given by the central government, was provided in coordination with technicians from SDHJGD. To influence the process of decentralization of water systems, the Program contacted the authorities of the Institute for Community Development, Water and Sanitation (IDECOAS). In relation to the strengthening of the decentralized health service provision, work was coordinated with the Ministry of Health and ULAT. Likewise, activities were coordinated with other USAID Programs, such as ACCESO, in relation to productive projects executed by women in the municipalities of CAFEG.

For the third consecutive year, the Program applied the decentralized primary health service index and the water index, both established as impact indicators that integrate the results obtained in the various Program's components.

The health index shows a variation of 8.1 percentage points, from 64.4% in 2013 to 72.5% in 2014. All assessed variables of the index (institutional, technical and social) show improvement between 2 and 4 percentage points, compared to the data obtained in the previous year.

The water index also evaluated three service-related variables: technical, civil society and institutional strength. The current value (2014) of the index averaged 60.5%, with a positive variation of 3.7 percentage points compared to 2013, with a minimum score of 39% and a highest of 77.6%.

To contribute to the Program's overall objective, the delivery of medical equipment, valued in US\$236,893.94, to nine decentralized health providers was completed. Likewise, five grant agreements were signed with equal number of civil society organizations for improvement of water and road services, for a total amount of US\$482,159.60, with disbursements made in the amount of US\$61,272.86 (25.6%).

Additionally, two infrastructure projects were completed in the municipalities of Copan and Santa Rita. The first, "Improvement of Policarpo Bonilla Rural Elementary School" in the "Quebracho Community", will optimize the educational, safety, environmental and hygiene conditions of students from first to sixth grade. The second project, "Construction of Perimeter Fence for the Hector Bueso Arias Maternal and Child Clinic", will provide security to patients, staff, building and equipment, also the infrastructure ownership will be demarcated. Among the services provided are: child labor, clinical attention for children under 5 years, and emergency care to children over 5 years. Up to September 2014, 543 births were attended. Another five projects are being executed and will be completed early next period.

The Program responded to two rapid response funds requests: i) formulation of strategic plan for the UTIs network; and ii) discussion about the integration mechanism of financial information

from taxpayers of municipal governments and the Executive Directorate of Revenues (DEI). One of the main results of the latter was the creation of a commission, composed by a representative of the DEI, one from AMHON and one from the Technical Unit of Decentralization, for purposes of initiating the process to exchanging information between municipalities and the DEI.

During this period, the Program continued work for improving social cohesion by incorporating youth and women in local governance. In relation to gender, the women's agenda continued its implementation through the implementation of 56 projects, mainly productive and income generating projects, which benefit more than two thousand women, of which 10% are single mothers. Likewise, the average monthly income generated amounts to approximately L. 14,000. On the other hand, in the municipalities of CAFEG¹, MAMBOCAURE² and MAVAQUI³ at least two members of the women's networks worked in coordination with the Citizens' Commission of Transparency and the Municipal Commissioner in social audits done to projects executed under the women's agenda.

In the municipalities of San Marcos de Caiquin and Belen, the design of a priorities agenda for children, teenagers and youth was completed. This agenda was useful as a tool for obtaining L.3.2 million from UNICEF. To date, children's community networks have been organized, children and youths were trained in the use of educational guidelines for health care, prevention, a municipal open council was held on the International HIV/AIDS Day, and youth communicators were organized.

¹ Gualcinse, Piraera and San Andrés.

² Concepción de María, San Marcos de Colón and Duyure.

³ Macuelizo, Protección and Azacualpa.

2. Introduction & Overview

2.1 Scope and Objective

This is the sixth semiannual report submitted in compliance with the Contract AID-522-C-11-00002 for the “Transparent Local Governance and Improved Service Delivery Program” (USAID|NEXOS), in support of the USAID’s strategic objective of *More Responsive Governance and Intermediate Result 2*, “Locally-provided services in response to citizen needs improved”. The Contract calls for the contractor to submit a semiannual report, to be provided within 30 days of the end of each period. At a minimum, these semi-annual reports shall describe: progress of the major activities in process during the period in relation to requirements of the contract, indicating any problems encountered, and proposing remedial actions as appropriate. The report shall be structured to highlight achievements, obstacles faced, and any other significant information for all components.

2.2 Strategic Framework

The Transparent Local Governance and Improved Service Delivery Program will contribute to broader USG policy efforts to strengthen democracy and governance in Honduras. The 2007 – 2012 Joint State-USAID strategic foreign assistance framework aims “To help build and sustain democratic, well-governed states that respond to the needs of their people, reduce widespread poverty and conduct themselves responsibly in the international system.” One of the five objectives supporting this overarching goal is “Governing justly and democratically”, which, for countries like Honduras, translates into support for policies and programs that accelerate and strengthen public institutions and the creation of a more vibrant local government and civil society. In addition, USAID’s Country Assistance Strategy (CAS) 2009 - 2013 states that “Governing Justly and Democratically” (GJD) is one of the primary goals of the United States Government (USG) foreign assistance efforts in Honduras. The goal of USG assistance in the GJD sector area is to strengthen democracy by improving governance, increasing transparency and accountability, and ensuring a credible electoral process.

The current USAID/Honduras Democracy & Governance (DG) Strategic Framework supports USAID’s strategic objective of More Responsive Governance. Three (3) intermediate results and seven (7) sub-intermediate results hold a hypothetical causal link to USAID’s strategic objective. Figure 1 shows the USAID/Honduras DG Strategic Framework and highlights in dark blue the results and objectives related to the Transparent Local Governance and Improved Service Delivery Program.

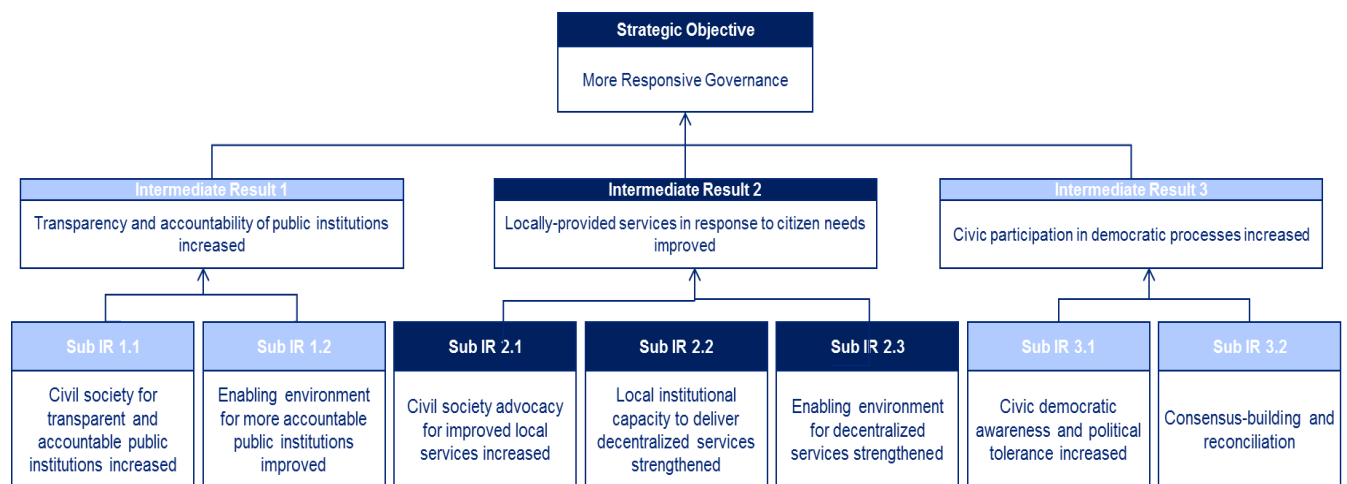


Figure 1: USAID/Honduras DG Program Strategic Framework

2.3 Transparent Local Governance & Improved Service Delivery Goals

USAID|NEXOS had a direct impact on Intermediate Result (IR) 2: “Locally-provided services in response to citizen needs improved”. The objective of the Program is to strengthen Honduran democracy in approximately ten networks that include approximately forty municipalities by increasing citizen satisfaction with and participation in decentralized, democratic government-provided or regulated services through improved service delivery, which will result in more accountable, transparent government.

In support of that IR, the Program has three main components or expected results:

- The first component, IR 2.1: *Civil society advocacy for improved local services increased* focuses on increasing civil society’s support and demand for decentralized services and understanding of their role in services delivery.
- The second component, IR 2.2: *Local institutional capacity to deliver decentralized services strengthened* focuses on strengthening the institutional capacity of local governments to respond to citizen demand and oversight of improved decentralized services.
- The third component, *Structures and systems to implement reform strengthened*, focuses on the implementation of decentralization frameworks through the strengthening of structures and systems at various levels of government. This component feeds into IR 2.3: *Enabling environment for decentralized services strengthened* and complements the results of the Decentralization Enabling Environment (DEE) Program.

The Small Grants and the Rapid Response Fund are two additional technical components of the Program.

In the second year of the Program, USAID|NEXOS began small grants administration to carry-out local projects related to service delivery.

The purpose of this activity is to have a mechanism that may finance activities that will contribute to achieve the Program's goals, emphasizing in innovation and creativity.

Small grants activities may include small purchases of equipment and goods, training, and technical assistance for service overseeing, outreach campaigns, and other initiatives to support municipalities and mancomunidades capacity building and the achievement of performance target, in accordance with agreements with partners. USAID|NEXOS works with municipalities, mancomunidades and civil society to identify priority projects.

Activities with civil society organizations also are promoted through the small grants program in order to support projects related to the strengthening of local services provision in the communities of target municipalities.

In addition to the small grants, USAID|NEXOS executes or administers subcontracts to develop small infrastructure projects related to improve service delivery. These projects will include improvements to health, education and other facilities, water and sanitation infrastructure, roads, street lighting, parks, and markets among others.

Finally, the Program has Rapid Response funds available to provide technical assistance, training or provision of raw materials, in response to unexpected opportunities and /or crisis that may occur during the project's duration.

2.4 Performance Ranking

In compliance with Section F of the contract, each of the three Program results has been designated a ranking to capture Program achievements as a function of the expected or planned progress. The definitions for each rank are explained in the figure below.



The planned activities, indicator goals, and targets for the relevant components have all been reached before planned or have been significantly surpassed.



All activities or all of the most significant planned activities, indicator goals, and targets for the relevant component have been reached within the time and conditions estimated in the annual plan.



More than half, but not all, of the significant planned activities, indicator goals, and targets for the relevant component have been reached within the time and conditions estimated in the annual plan.



All activities or some of the most significant planned activities, indicator goals, and targets for the relevant component have not been reached as planned.

Figure 2: Ranking definitions

| RANKING | | |
|----------------------------|------------------------------|---------------|
| Category | Greater than or equal to (%) | Less than (%) |
| Below Expectations | 0 | 50 |
| At Risk | 50 | 75 |
| Acceptable | 75 | 100 |
| Beyond Expectations | 100 | |

Table 1: Ranking Criteria

This section presents the progress towards achieving the goals established in the contract and in the Program Monitoring Plan (PMP), considering the above mentioned ranking.

According to PMP a total of sixteen (16) indicators are used to monitor progress and manage performance throughout the life of the program. Figure 3 below illustrates the selected indicators and the level of impact they measure within the results framework.

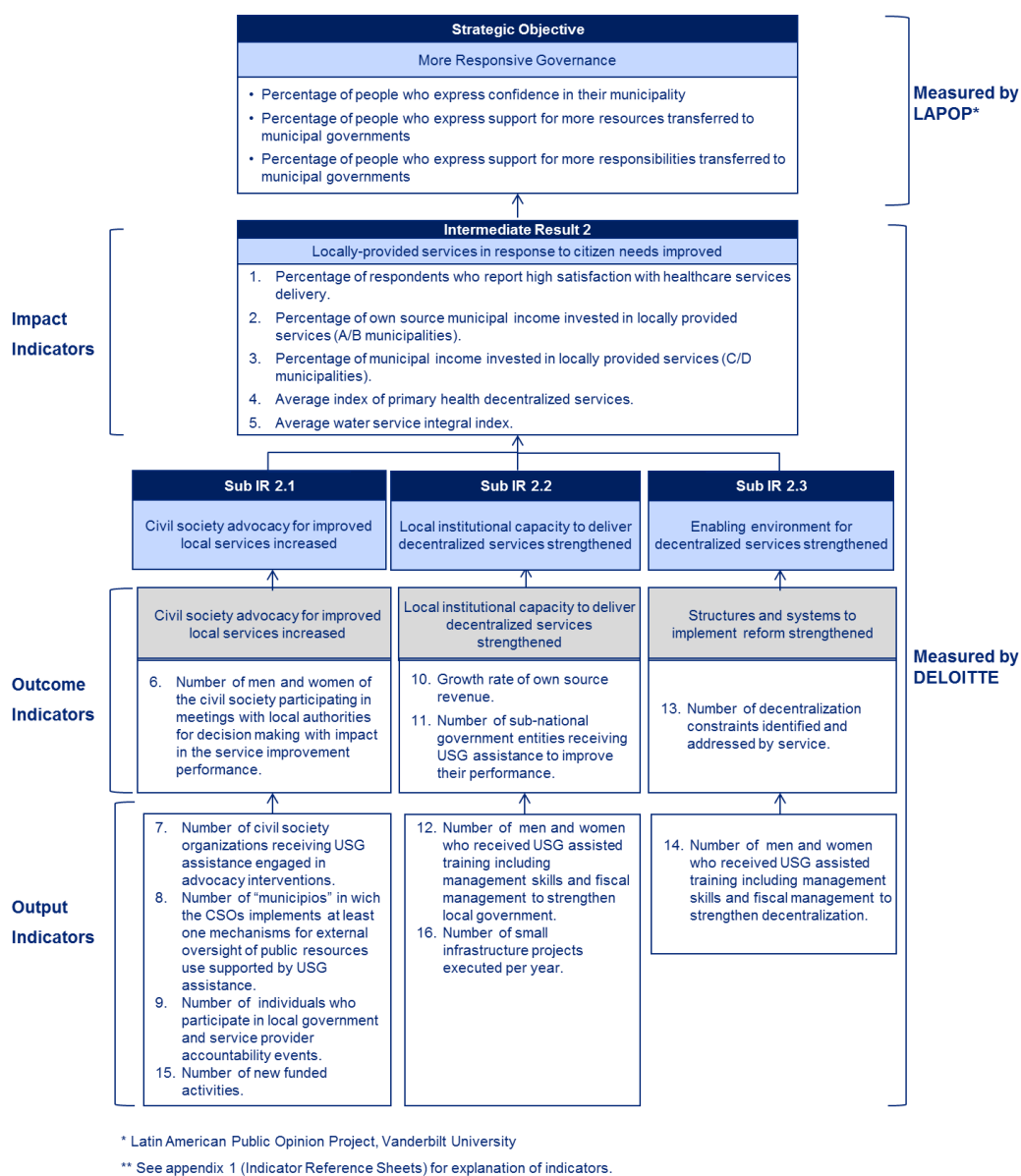


Figure 3: Selected indicators and their level of impact.

Each semi-annual report will include the progress achieved for the reported period, as for the previous one.

The following table shows the achievement of this period's goals, including the ranking according to performance:

| No. | Indicator | Type | BL | Year 3 (Oct13-Sept14) | | | | | | | |
|---|---|------|-------|-----------------------|-----------|---------------|---------------------|-------------|-----------|---------------|---------------------|
| | | | | Semester5 | | | | Semester6 | | | |
| | | | | Target | Actual | % performance | Ranking | Target | Actual | % performance | Ranking |
| Intermediate Result 2: Locally-provided services in response to citizens needs improved | | | | | | | | | | | |
| 1 | Percentage of respondents who report high satisfaction with healthcare services delivery. | all | 67.0% | n/a | n/a | n/a | n/a | 69.0% | 71% | 103% | Beyond Expectations |
| 2 | Percentage of own source municipal income invested in locally provided services. | A/B | TBD | n/a | n/a | n/a | n/a | 56% | 45% | 80% | Acceptable |
| 3 | Percentage of municipal income invested in locally provided services. | C/D | 40.0% | n/a | n/a | n/a | n/a | 49% | 31% | 63% | At Risk |
| 4 | Average index of primary health decentralized services. | C/D | 54.0% | n/a | n/a | n/a | n/a | 69% | 73% | 104% | Beyond Expectations |
| 5 | Average water service integral index. | C/D | 49.6% | n/a | n/a | n/a | n/a | 62% | 61% | 98% | Acceptable |
| Result 1: Civil society advocacy for improved local services increased | | | | | | | | | | | |
| 6 | Number of men and women of the civil society participating in meetings with local authorities for decision-making with impact in the service improvement performance. | A/B | 0 | 65M 35F | 0 | 0% | Below Expectations | 65M 35F | 78M 26F | 104% | Beyond Expectations |
| | | C/D | 0 | 780M 420F | 419M 306F | 60% | At Risk | 1,040M 560F | 856M 800F | 104% | Beyond Expectations |
| 7 | Number of civil society organizations receiving USG assistance engaged in advocacy interventions (cumulative). | A/B | 0 | 9 | 6 | 67% | At Risk | 12 | 10 | 83% | Acceptable |
| | | C/D | 0 | 96 | 103 | 107% | Beyond Expectations | 120 | 151 | 126% | Beyond Expectations |
| 8 | Number of "municipios" in wich the CSOs implements at least one mechanism for external oversight of public resources use supported by USG assistance (cumulative). | C/D | 0 | n/a | n/a | n/a | n/a | 15 | 15 | 100% | Acceptable |
| 9 | Number of individuals who participate in local government and service provider accountability events. | A/B | 0 | 32M 18F | 0 | 0% | Below Expectations | 32M 18F | 46M 18F | 128% | Beyond Expectations |
| | | C/D | 0 | 884M 476F | 804M 603F | 103% | Beyond Expectations | 312M 168F | 242M 287F | 110% | Beyond Expectations |
| Result 2: Local institutional capacity to deliver decentralized services strengthened | | | | | | | | | | | |
| 10 | Growth rate of own source revenue. | C/D | 20.0% | n/a | n/a | n/a | n/a | 8% | -2% | | Below Expectations |
| 11 | Number of sub-national government entities receiving USG assistance to improve their performance (cumulative) | A/B | 0 | 5 | 4 | 80% | Acceptable | 5 | 5 | 100% | Acceptable |
| | | C/D | 0 | 35 | 35 | 100% | Acceptable | 35 | 35 | 100% | Acceptable |

| No. | Indicator | Type | BL | Year 3 (Oct13-Sept14) | | | | | | | |
|---|--|------|----|-----------------------|----------|---------------|---------------------|-----------|----------|---------------|---------------------|
| | | | | Semester5 | | | | Semester6 | | | |
| | | | | Target | Actual | % performance | Ranking | Target | Actual | % performance | Ranking |
| 12 | Number of men and women who received USG assisted training including management skills and fiscal management to strengthen local government. | A/B | 0 | 10M 5F | 7M 9F | 107% | Beyond Expectations | 10M 5F | 11M 8F | 127% | Beyond Expectations |
| | | C/D | 0 | 162M 88F | 148M 59F | 83% | Acceptable | 94M 50F | 117M 39F | 108% | Beyond Expectations |
| Result 3: Structures and systems to implement reform strengthened | | | | | | | | | | | |
| 13 | Number of decentralization constraints identified and addressed by service. | n/a | 0 | n/a | n/a | n/a | n/a | 2 | 2 | 100% | Acceptable |
| 14 | Number of men and women who received USG assisted training including management skills and fiscal management to strengthen decentralization. | all | 0 | 81M 43F | 31M 66F | 78% | Acceptable | 81M 43F | 73M 52F | 101% | Beyond Expectations |
| Activity Area 1: Small grants | | | | | | | | | | | |
| 15 | Number of new funded activities. | CSO | 0 | n/a | n/a | n/a | n/a | 5-20 | 5 | 100% | Acceptable |
| | | MAN | 0 | n/a | n/a | n/a | n/a | 5-10 | 5 | 100% | Acceptable |
| | | LG | 0 | n/a | n/a | n/a | n/a | 5-15 | 7 | 100% | Acceptable |
| Activity Area 2: Small infrastructure projects | | | | | | | | | | | |
| 16 | Number of small infrastructure executed per year. | LG | 0 | n/a | n/a | n/a | n/a | 5-15 | 2 | 40% | Below Expectations |

Table 2: Goals and indicators of the PMP for year three.

The main results related established goals for the second semester of year 2 are shown below.

2.4.1. Intermediate Result 2: Locally-provided services in response to citizens needs improved

Indicator 1: Percentage of respondents who report high satisfaction with healthcare services delivery.

The results of the midterm survey to measure satisfaction of healthcare service delivery show that 71% of the target municipalities' residents are highly satisfied with such service⁴, which represents an increase of 4 percentage points compared to the 2012 baseline value.

⁴ As defined in the PMP, high satisfaction indicates that the respondent answered a value between 6 and 10 to the question: "How satisfied are you with the provision of public health service in your municipality?"

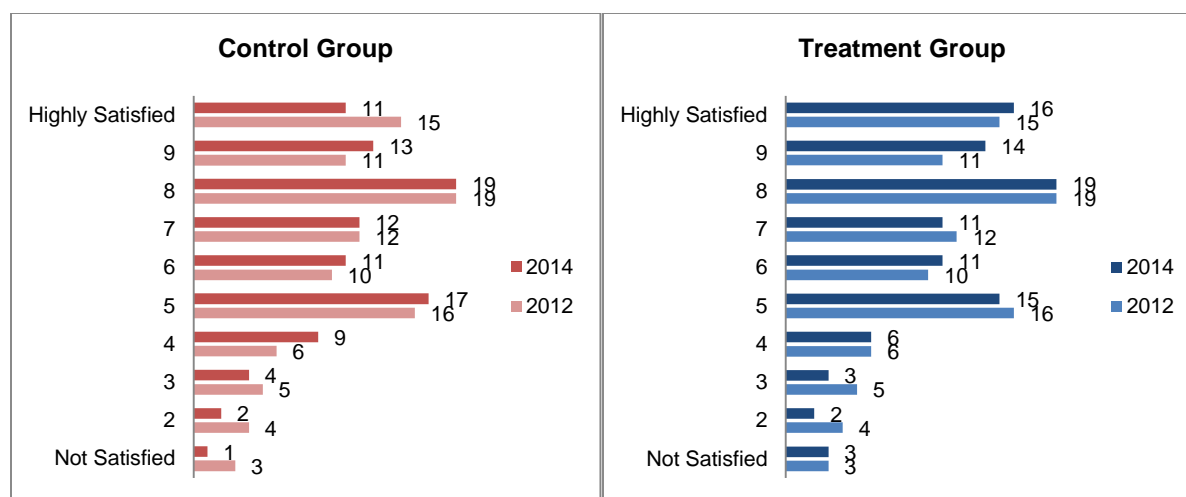


Figure 4: Level of satisfaction for health service, per group.

Among the evaluated aspects that determine the achieved results in the target municipalities are: the good patient care, perception of good quality of doctors and the convenience of opening hours.

On the other hand, the control group shows a decrease of one percentage point in the residents who rated the service with a score of six or more.

As in 2012, an aspect that needs continuous improvement is the availability to provide medications. In the baseline, 27% of the people surveyed said they always found the prescribed medications, while in 2014 this percentage was reduced by four percentage points.

In urban areas, the satisfaction level does not show significant differences compared to the previous survey. In 2014, the satisfaction level in the rural area is slightly superior in the treatment group (target municipalities).

| Average Satisfaction | Treatment Group | | Control Group | |
|----------------------|-----------------|-------|---------------|------|
| | 2012 | 2014 | 2012 | 2014 |
| Urban | 6.6 | 6.7 | 6.7 | 6.7 |
| <i>BASE</i> | 894 | 800 | 184 | 191 |
| Rural | 6.8 | 6.9 | 6.5 | 6.7 |
| <i>BASE</i> | 2,798 | 2,474 | 505 | 509 |

Table 3: Average satisfaction by group and area of residence.

Indicator 2: Percentage of own source municipal income invested in locally provided services.

During the 2014 fiscal year (Oct. 2013-Sept. 2014), category A and B municipalities have allocated 45% of their own income to the provision of local services.

These municipalities allocated 35% for road maintenance and repairing, 29% for projects to improve water services and a lower percentage to services such as: solid waste collection, education, sewage, among others.

| Services | 2013 (In thousands of L.) | Percentage | 2014 (In thousands of L.)* | Percentage |
|----------------------|---------------------------|-------------|----------------------------|-------------|
| Water | 14,151.9 | 11% | 43,659.2 | 29% |
| Sewage systems | 15,383.6 | 12% | 18,789.6 | 13% |
| Garbage collection | 6,700.9 | 5% | 85.0 | 0% |
| Fire department | - | 0% | - | 0% |
| Slaughterhouse | 233.3 | 0% | 25.1 | 0% |
| Cemetery | 861.6 | 1% | 1,356.9 | 1% |
| Municipal market | 2,218.3 | 2% | 61.0 | 0% |
| Roads | 55,891.5 | 45% | 52,143.2 | 35% |
| Parks and recreation | 7,438.0 | 6% | 20,260.8 | 14% |
| Health services | 1,190.4 | 1% | 701.0 | 0% |
| Education services | 13,142.6 | 11% | 10,233.1 | 7% |
| Social cohesion | 7,154.1 | 6% | 1,640.9 | 1% |
| TOTAL | 124,366.4 | 100% | 148,955.8 | 100% |

Table 4: Investment in A and B municipalities, by service.

* Preliminary data. At the closing of this report, some of the municipalities had not yet prepared the rentistic expenditure reports or the project execution reports for the 2014 third quarter.

Indicator 3: Percentage of municipal income invested in locally provided services.

This indicator shows what proportion of the total revenue collected by C and D municipalities is invested or destined for the provision of local services. For the 2014 fiscal year, it shows a value of 31%.

The table below shows that these municipalities spent more than 45% of their total income in the provision of road services, and in less proportion to education, health and water services, as follows.

| Services | 2012 (In thousands of lempiras) | Percentage | 2013 (In thousands of lempiras) | Percentage | 2014 (In thousands of lempiras) | Percentage |
|----------------------|---------------------------------|-------------|---------------------------------|-------------|---------------------------------|--------------|
| Water | 19,399.7 | 7% | 18,816.6 | 8% | 20,113.9 | 7.0% |
| Sewage systems | 18,957.4 | 6% | 8,738.3 | 4% | 12,597.8 | 4.4% |
| Garbage collection | 7,431.6 | 3% | 7,880.0 | 3% | 3,872.9 | 1.3% |
| Fire department | 462.4 | 0% | 46.1 | 0% | - | 0.0% |
| Slaughterhouse | 650.5 | 0% | 310.8 | 0% | 360.8 | 0.1% |
| Cemetery | 1,122.1 | 0% | 2,259.3 | 1% | 960.8 | 0.3% |
| Municipal market | 8,937.3 | 3% | 2,063.0 | 1% | 1,244.9 | 0.4% |
| Roads | 143,623.9 | 48% | 101,461.4 | 42% | 130,324.2 | 45.4% |
| Parks and recreation | 17,334.1 | 6% | 17,324.0 | 7% | 16,212.7 | 5.6% |
| Health services | 16,848.7 | 6% | 23,605.8 | 10% | 31,363.1 | 10.9% |
| Education services | 47,910.0 | 16% | 38,118.9 | 16% | 51,499.7 | 17.9% |
| Social cohesion | 14,277.8 | 5% | 19,498.4 | 8% | 18,426.0 | 6.4% |
| TOTAL | 296,955.5 | 100% | 240,122.5 | 100% | 286,976.8 | 100% |

Table 5: Investment in C and D municipalities by service.

Working and such small municipalities with very limited capacity is very difficult to increase own resources, however, the Program is helping the municipalities with different strategies to improve the revenue collection. Besides, the Program is designing with the civil society strategies to strengthen the service provision in an effort to promote the need to pay for local services.

Indicator 4: Average index of primary health decentralized services.

In 2014, USAID|NEXOS applied for the third consecutive year the decentralized primary health service average index. The data shows that this index reached 72.5%, 8 percentage points above the 2013 value (64.4%).

The municipality of Gracias (health service provider) has the highest rate, with 83.4%; the lowest rate is for the municipality of Virginia, which has been the lowest for the past two years, with a rate of 62.5% in 2014. However, it showed an increase of 11 percentage points compared to 2013.

Comparing the 2014 index with 2012 and 2013, the data show that the index has improved in all three assessed areas.

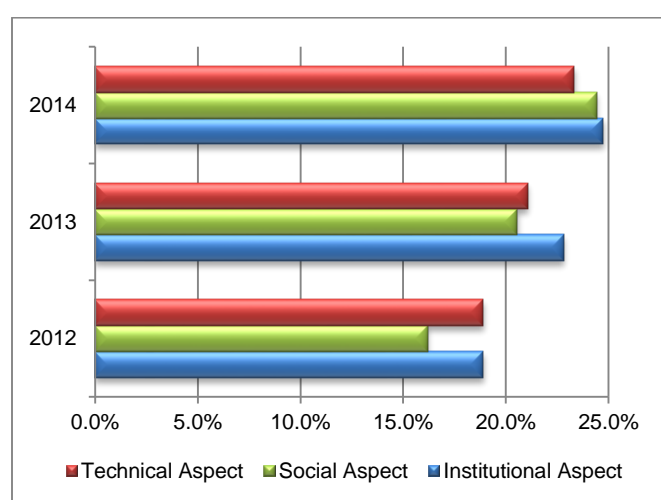


Figure 5: Results of the index application, by year and assessed aspect.

For the health index, as well as for the water index, USAID|NEXOS established a scale of five categories to classify the results obtained in each municipality (see Table 5).

According to this scale, the universe of assessed municipalities is at a high scale (7%) or very high (93%), unlike 2013 where they were at a high scale (72%) or medium (28%).

| Areas | % |
|-----------|----------|
| Very High | 81%-100% |
| High | 61%-80% |
| Medium | 41%-60% |
| Low | 21%-40% |
| Very Low | 0%-20% |

Table 6: Rating scales for index results.

In the institutional aspect, the sub variable that shows the largest increase is the institutional capacity of the health service provider (8.8% out of 10%), followed by the institutional capacity of the municipal government as head of the health service (8.5% out of 10%), and finally the institutional capacity of the health service manager (7.4% out of 10%).

In relation to the technical aspect, service access (81.4% out of 100%) was the sub variable that influenced the rating's improvement on this particular aspect, followed by coverage (79.2% out of 100%).

As for the social aspect, a gradual increase can be seen in the sub variable for civil society participation in health service planning (51.7% in 2012; 64.7% in 2013 and 68.6% in 2014). In 2014 this sub variable had a greater influence in the increase of 3.9 percentage points of the social aspect, compared to the previous year.

| Assessed variables | Maximum Score | Average Score | | | Variation | |
|-----------------------------|---------------|---------------|-------|-------|-----------|-----------|
| | | 2012 | 2013 | 2014 | 2013/2012 | 2014/2013 |
| Institutional Aspect | 30.0% | 18.9% | 22.8% | 24.7% | 3.9% | 1.9% |
| Technical Aspect | 30.0% | 18.9% | 21.1% | 23.3% | 2.2% | 2.3% |
| Social Aspect | 40.0% | 16.2% | 20.6% | 24.4% | 4.4% | 3.9% |

Table 7: Index health score, according to variable and sub variable by year.

For each municipality's category, in relation to the institutional aspect, the data shows that D municipalities obtained higher scores than C municipalities; in the technical aspect D municipalities were also higher than C, and in the social aspect C municipalities were higher than D.

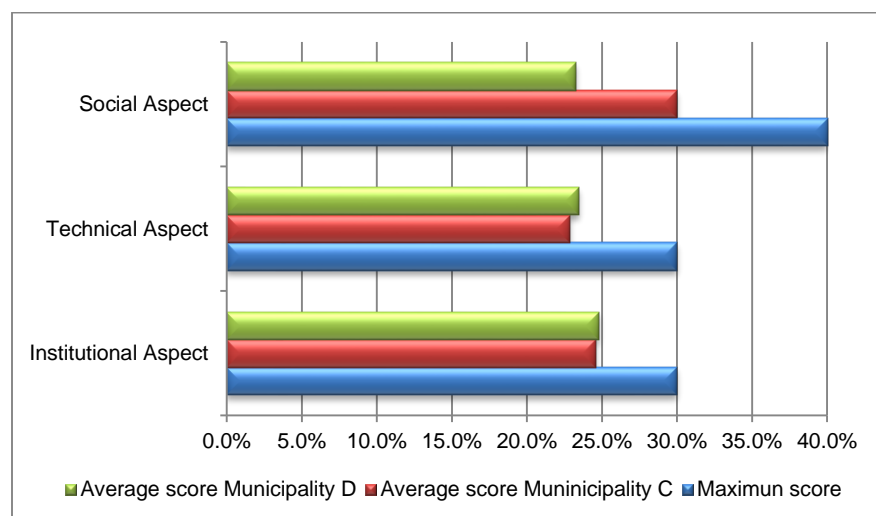


Figure 6: Decentralized primary health services score, according to category of municipality and evaluated variable.

As part of the quality control of the information obtained from the application of this index, USAID|NEXOS continued to validate the data through field trips. Subsequently, a report was prepared with the results of this process (see Annex A).

Indicator 5: Average water service integral index.

For two consecutive years (2013 and 2014), the results of this index show improvements in all three assessed areas, with greater intervention impact shown in institutional strengthening, both by the municipality as owner and occasional service provider, and by the urban and rural water boards.

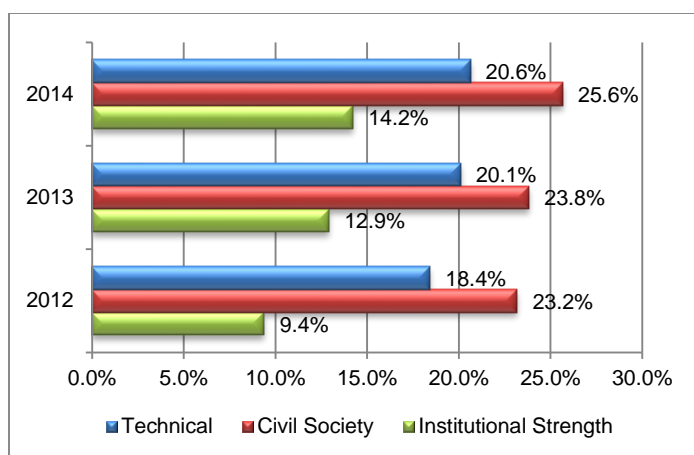


Figure 7: Results of the application of the index per year and assessed aspect.

In 2014 the index averaged 60.5%, showing a positive variation of 3.7 percentage points compared to 2013, with a minimum score of 39% and a highest of 77.6% (see Annex D).

The evaluated sub variables for each of the index's aspects are shown in the following table:

| Evaluated Variable | Evaluated Sub-variables | Max score | C Average Score | | | D Average Score | | |
|------------------------|---|-----------|-----------------|-------|------|-----------------|------|------|
| | | | 2012 | 2013 | 2014 | 2012 | 2013 | 2014 |
| Technical | Service coverage (X1) | 15.0% | 8.7% | 10.1% | 9.2% | 10.6% | 9.5% | 8.3% |
| | Service quality (X2) | 15.0% | 9.9% | 7.9% | 7.7% | 7.9% | 7.5% | 7.7% |
| Civil Society | Civil society's participation in the planning and prioritization of service-related projects (Y1) | 10.0% | 6.0% | 5.5% | 4.4% | 8.5% | 7.6% | 7.5% |
| | Civil society's participation in the service management model (Y2) | 10.0% | 3.3% | 3.4% | 3.9% | 6.4% | 6.8% | 6.7% |
| | Civil society's participation in community oversight of service providers (Y3) | 20.0% | 8.3% | 7.0% | 7.2% | 8.5% | 8.1% | 8.1% |
| Institutional Strength | Institutional strength of service provider in urban area (Z1) | 5.85% | 1.70% | 1.95% | 1.9% | 1.9% | 2.3% | 2.2% |
| | Institutional strength of service provider in rural area (Z2) | 7.4% | 3.5% | 4.6% | 4.2% | 3.4% | 4.5% | 4.9% |
| | Institutional strength of COMAS (Z3) | 2.5% | 0.2% | 0.1% | 0.5% | 0.1% | 0.2% | 0.3% |
| | Institutional strength of USCL (Z4) | 3.0% | 0.2% | 0.2% | 0.5% | 0.2% | 0.2% | 0.4% |
| | Institutional strength of the municipal government as service owner (Z5) | 11.25% | 4.30% | 4.75% | 4.9% | 3.6% | 4.6% | 4.6% |

Table 8: Average score of the Water Service Integral Index, according to evaluated sub variable and municipal category.

The table below shows the results of the average value of the index in 2014 by mancomunidad, where MANCOSOL shows the highest score, while the minimum value occurs in the independent municipalities of Trinidad and Lepaera. In the case of the two mancomunidades with higher scores (MANCOSOL and MOCALEMPA), it is observed that the variable for civil society achieves scores that are relatively close to the maximum value assigned of 40%. This shows a high participation from civil society in the management of the service. In the case of MANCOSOL, it has the highest value of the three assessed variables:

| Mancomunidad | Municipalities | Assessed Areas | | | Score |
|--------------|---|----------------|---------------|---------------|--------|
| | | Technical | Civil Society | Institutional | |
| MANCOSOL | Guarita, San Juan Guarita, Cololaca, Valladolid, Tomala, Tambla | 25.30% | 33.60% | 20.00% | 78.90% |
| MOCALEMPA | La Virtud, Virginia, Mocalempa | 17.00% | 32.30% | 18.50% | 67.80% |
| COLOSUCA | Gracias, Belén, San Marcos de Caiquín, San Manuel de Colhete, San Sebastián | 23.00% | 28.40% | 14.00% | 65.40% |
| HIGUITO | Cucuyagua, Corquín, San Pedro Copán | 22.30% | 26.30% | 16.50% | 65.10% |
| CHORTI | Nueva Arcadia, San Nicolás, San Antonio, La Jigua | 23.00% | 21.00% | 11.60% | 55.60% |
| CAFEG | Candelaria, Piraera, Gualcince, San Andrés | 17.00% | 25.30% | 12.70% | 55.00% |
| MAVAQUI | Azacualpa, Macuelizo, Nueva Frontera, Protección) | 20.60% | 23.00% | 11.30% | 54.90% |
| MAMBOCAURE | San Marcos de Colón, Duyure, Concepción de María | 17.50% | 19.30% | 11.40% | 48.20% |
| INDEPENDENT | Lepaera, Trinidad | 14.80% | 17.00% | 10.90% | 42.70% |

Table 9: Average score of the Water Service Integral Index 2014, according to mancomunidad.

Of a total of 46 evaluated sub variables, below are listed those that show the highest positive variations with the technical assistance provided by USAID|NEXOS Program or other donors for the 2013-2014 period.

| Sub Variable | Mancomunidad | | |
|--|----------------------|--|--------------------------------------|
| | With highest benefit | With intermediate benefit | With less, none or negative benefit |
| Municipal Water and Sanitation Commission (COMAS) or other similar authority for planning and coordination, legally constituted. | Mocalempa | Colosuca, Mancosol, Mavaqui, Higuito, Independents | Chorti, Cafeg, Mambocaure |
| Satisfaction of service users in the county seat | Mancosol | Colosuca, Chorti, Cafeg, Higuito, Mocalempa, Mambocaure, Independents | Mavaqui |
| Local Supervision and Control Unit (USCL) or other similar authority, legally constituted. | Mocalempa | Colosuca, Chorti, Higuito, Independents | Mancosol, Mavaqui, Cafeg, Mambocaure |
| Relationship of the municipality with municipal service providers | Mocalempa | Colosuca, Mancosol, Chorti, Cafeg, Higuito, Mambocaure, Independents | Mavaqui |
| Protection and conservation of micro water sheds | Mancosol | Colosuca, Mavaqui, Chorti, Cafeg, Higuito, Mocalempa, Independents | Mambocaure |
| Satisfaction of service users in rural areas | Mocalempa | Colosuca, Mancosol, Cafeg, Higuito, Mambocaure, Independents | Mavaqui, Chorti |
| Providers conduct satisfaction surveys to service users | Higuito | Colosuca, Mancosol, Mavaqui, Chorti, Mocalempa, Mambocaure, Independents | Cafeg |

| Sub Variable | Mancomunidad | | |
|---|----------------------|---|-------------------------------------|
| | With highest benefit | With intermediate benefit | With less, none or negative benefit |
| Management of resources for investment in water by the municipality | Mocalempa | Mancosol, Mavaqui, Chorti, Cafeg, Higuito, Mambocaure, Independents | Colosuca |
| Planning of organizational management by the COMAS | Higuito | Colosuca, Mancosol, Mavaqui, Cafeg, Mocalempa, Mambocaure, Independents | Chorti |
| Regulation of Internal Operation of the COMAS | Higuito | Colosuca, Mavaqui, Chorti, Cafeg, Mocalempa, Mambocaure, Independents | Mancosol |
| Regulation of Internal Operation of the USCL | Higuito | Colosuca, Mavaqui, Chorti, Cafeg, Mocalempa, Mambocaure, Independents | Mancosol |
| Chlorination/Treatment of water in the municipal seat | Colosuca | Mavaqui, Chorti, Cafeg, Higuito, Mocalempa, Mambocaure, Independents | Mancosol |

Table 10: Evaluated sub variables with the highest positive variations.

2.4.2. Result 1: Civil society advocacy for improved local services increased

Indicator 6: Number of men and women of the civil society participating in meetings with local authorities for decision-making with impact in the service improvement performance.

In relation to the technical assistance provided by the Program in A and B municipalities, mainly to improve solid waste disposal and slaughterhouse services, a series of events were promoted in 4 municipalities by members of civil society and local governments, to agree on these services' improvements. Participation of men in these events exceeded the programmed goal, and women's showed a 90% participation in relation to the established goal. The consolidated results show that the efforts done in these municipalities allowed to reach the established goal.

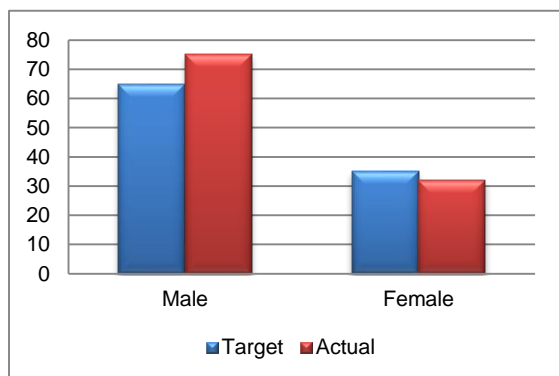
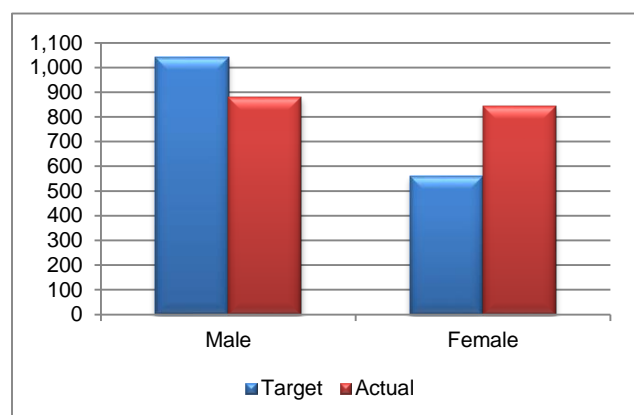


Figure 8: Progress achieved on the indicator 6th by gender (A and B municipalities).

Section 3.1 describes in detail the agreements taken for these services' improvements.

Likewise, in C and D municipalities, the established goal for this indicator showed compliance above 100%. Open municipal councils and/or community meetings were held in 11

municipalities, in which municipal governments and civil society continue to strengthen the "SOCIAL DIALOGUE" around services with emphasis in water, health, education and solid waste disposal. Promotion is being done also with the municipal corporations for the inclusion of local services as topics of interest, not only for the municipal government, but for the whole population. This allowed the municipal government and civil society to establish agreements that impact service provision.



In relation to gender, women's participation goal was far exceeded, while men had a performance above 80%.

Figure 9: Progress achieved on the indicator 6th by gender (C and D municipalities).

Indicator 7: Number of civil society organizations receiving USG assistance engaged in advocacy interventions (cumulative).

In relation to the institutional strengthening of civil society organizations, the Program continued to train and promote the involvement of these organizations in local service management.

In A and B municipalities, the goal for this indicator shows a compliance above 80%. USAID|NEXOS strengthened four new organizations that were involved in the process for improvement of solid wastes services (in the municipalities of Puerto Cortes, Marcala and Santa Barbara) and slaughterhouse services in Santa Rosa de Copan.

In C and D municipalities, the goal's compliance was above 100%. Through CARE's technical assistance, a total of 48 civil society organizations were organized or strengthened, and are all using a work plan.

Among the new civil society organizations that were strengthened during this period are: 8 Health Committee Networks (RCS); 6 Municipal Water Board Associations (AJAAM); 15 Supervision and Social Control Units (USCL); 15 Municipal Water and Sanitation Commissions (COMAS); 3 Municipal Educational Development Councils (COMDE) and a youth's network.

Indicator 8: Number of municipalities in which the CSOs implements at least one mechanism for external oversight of public resources use supported by USG assistance (cumulative).

During this period, 13 mechanisms for external oversight of public resource use were developed; the Citizens' Commission of Transparency (CCT) and the Municipal Commissioners

received training to exercise oversight of services (education, health, water) and the roles they have in their functions. With this, the goal shows a compliance of 100%.

Table 17 in section 3.1.1 shows the results of implementing actions to correct unfavorable situations.

Indicator 9: Number of individuals who participate in local government and service provider accountability events.

Four A and B municipalities held sessions between civil society and local governments to discuss the current situation of solid wastes and slaughterhouse services, and endorse new models that improve these services' provision. This allowed a level of compliance above 100%.

Likewise, for C and D municipalities, the goal established for this semester shows a level of compliance above 100%, as a result of the development of accountability mechanisms for civil society to show achievements and challenges in local service provision. Among the services that were emphasized were education, health and the municipal management from the new authorities during the first 100 days in office.

In relation to gender, women's participation goal was highly exceeded, while men had a compliance of 70%. However, globally, the indicator shows a favorable performance.

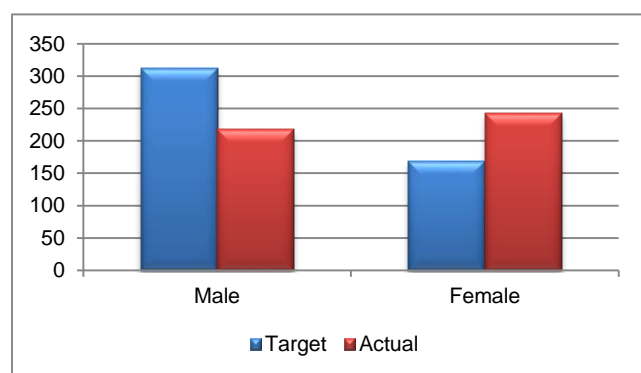


Figure 10: Progress achieved on the indicator 9th by gender.

2.4.3. Result 2: Local institutional capacity to deliver decentralized services strengthened

Indicator 10: Growth rate of own source revenue.

For this period, the growth rate of own source municipal revenues for C and D municipalities shows a value of -2% for the 2014 fiscal year.

Municipalities like Nueva Arcadia and Gracias show the highest growth rate of own source municipal revenues, while San Juan Guarita, Cololaca and Virginia show a smaller increase of collected revenues, according to the quarterly revenue data the target municipalities report to the Program.

For the next fiscal year (year 4), USAID|NEXOS will continue to work on different strategies to overcome the challenge of increasing the municipalities' own revenues. In this context, the Program is assisting the municipalities mainly in the establishment of new cadastral values, tax audit and recovery of arrears.

Within the own source revenue structure, tax revenues show a relative weight above 70%, which means that most of the collected revenues come from municipal taxes (real estate tax, trade and service tax, personal or local tax, extraction and exploitation of resources and livestock), rates and rights. The following table shows the structure:

| Categories | Year (in thousands of L.) | | | Share (%) in own revenues ⁵ | | | Variation (%) 2013/2012 | | Variation (%) 2014/2013 | |
|------------------------------|---------------------------|------------------|------------------|--|---------------|---------------|-------------------------|---------------|-------------------------|---------------|
| | 2012 | 2013 | 2014 | 2012 | 2013 | 2014 | Relativa | Real | Relativa | Real |
| Own Source Incomes | 127,663.0 | 113,370.2 | 117,243.3 | 100.0% | 100.0% | 100.0% | -11.2% | -16.0% | 3.4% | -2.4% |
| Current Incomes | 118,176.4 | 109,052.8 | 113,735.5 | 92.6% | 96.2% | 97.0% | -7.7% | -12.7% | 4.3% | -1.5% |
| Tax Incomes | 93,439.9 | 88,245.5 | 87,942.9 | 73.2% | 77.8% | 75.0% | -5.6% | -10.6% | -0.3% | -5.9% |
| Non-Tax Incomes | 24,736.5 | 20,807.4 | 25,792.5 | 19.4% | 18.4% | 22.0% | -15.9% | -20.4% | 24.0% | 17.0% |
| Capital Revenues | 9,486.6 | 4,317.4 | 3,507.9 | 7.4% | 3.8% | 3.0% | -54.5% | -56.9% | -18.8% | -23.3% |
| Assets sales | 8,491.5 | 2,813.2 | 2,304.1 | 6.7% | 2.5% | 2.0% | -66.9% | -68.6% | -18.1% | -22.7% |
| Contribution by improvements | 995.1 | 1,504.2 | 1,203.8 | 0.8% | 1.3% | 1.0% | 51.2% | 43.1% | -20.0% | -24.4% |

Table 11: Own source revenue structure (C and D municipalities).

Indicator 11: Number of sub-national government entities receiving USG assistance to improve their performance (cumulative).

The goal for this indicator achieved a satisfactory level of compliance for both categories of municipalities. In the case of A and B municipalities, the technical assistance provided by the Program focused on solid waste and slaughterhouse services. For C and D municipalities, assistance was focused on follow-up of activities for the improvement of municipal management in more diverse areas such as finance, cadaster and public services:

| Technical assistance area | Number of Municipalities |
|---|--------------------------|
| Development of GL accountability | 34 |
| Implementation of the Single Taxpayers' Registry (RUC). | 27 |
| Real Estate Cadaster | 26 |
| Municipal Finances Workshop | 24 |
| Tax Audit | 23 |
| Recovery of Arrears | 14 |
| Financial Accounting | 6 |
| Users' Service Cadaster | 14 |
| Strengthening of municipal units that provide water and sanitation public services. | 7 |
| Approval and initiation of the joint technical road unit. | 4 |
| Implementation of the urban solid waste collection service. | 1 |
| Delegation of sewage services to the urban water board. | 1 |

Table 12: Number of local governments assisted by area (C and D).

⁵ Percentage by columns.

Indicator 12: Number of men and women who received USG assisted training including management skills and fiscal management to strengthen local government.

USAID|NEXOS trained technical staff from A and B municipalities on topics related to solid waste management and C and D municipalities on cadastral reassessment and better municipal practices. These activities allowed a level of compliance above expectations.

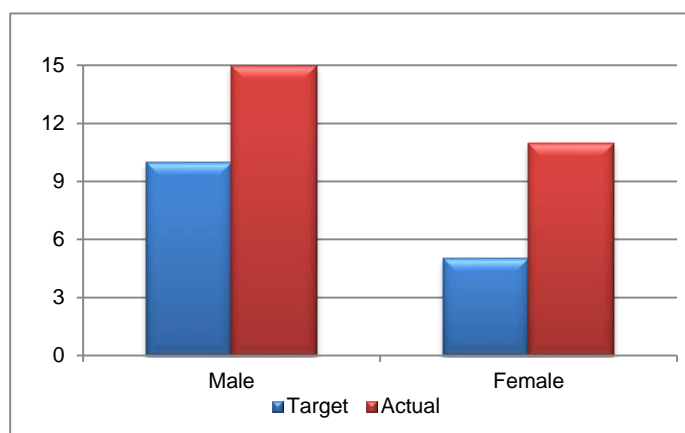


Figure 11: Progress achieved on the indicator 13th for A and B municipalities by gender.

The staff from C and D municipalities who received training are: 57% councilmen, 24% technical municipal staff, 10% vice mayors and 10% mayors.

| Position | Men | Women | Total | Percentage |
|-----------------------|------------|-----------|------------|-------------|
| Mayors | 13 | 2 | 15 | 10% |
| Vice mayors | 12 | 3 | 15 | 10% |
| Councilmen | 66 | 23 | 89 | 57% |
| Municipal technicians | 26 | 11 | 37 | 24% |
| TOTAL | 117 | 39 | 156 | 100% |

Table 13: Number of men and women who received USG assisted training (C and D municipality).

2.4.4. Result 3: Structures and systems to implement reform strengthened.

Indicator 13: Number of decentralization constraints identified and addressed by service.

USAID|NEXOS designed a matrix to identify obstacles in the process of decentralization of local services in Honduras. The following obstacles were identified for the health service:

| Obstacle | Solution Offered | Actions Taken in 2013 | Actions Taken in 2014 |
|--|--|---|--|
| Employees from the Ministry of Health and service providers lack training on | <ul style="list-style-type: none"> Training for the mancomunidades' health staff. Identification of needs for technical strengthening of | <ul style="list-style-type: none"> As part of the strengthening of the decentralized health service model, the managers and service providers received training in the following areas: <ol style="list-style-type: none"> 1. Leadership and management; 2. Strengthening of the health index | <ul style="list-style-type: none"> Design of the National Basic Curriculum for Health Managers Training, containing 11 curricular modules that SESAL is developing with all service providers |

| Obstacle | Solution Offered | Actions Taken in 2013 | Actions Taken in 2014 |
|---|--|--|--|
| roles and functions. | primary health service providers (adequate service provision). | and instrument validation (Methodological Guide for Application of Health Index); 3. Human resource management. The Human Resource Manual for Manager Mancomunidades was revised and validated. 4. Review and update of the Manual for Use and Management of Medications. 5. Review and validation of the Accounting and Financial Manual for Decentralized Health Units. | nationwide. USAID NEXOS also uses this curriculum to train those service providers assisted by the Program. |
| Some health units are damaged, others lack equipment and tools for health care. | <ul style="list-style-type: none"> Design of licensing plans. | <ul style="list-style-type: none"> The Program identified and revised the licensing plans per managing mancomunidad, to seek measures for improvement of infrastructure of several health units. With these plans, the managers are identifying financial resources to improve physical space for service delivery. USAID NEXOS identified and is in the process of purchasing a basic health equipment kit to support the managing mancomunidades and municipalities. | <ul style="list-style-type: none"> USAID NEXOS donated medical equipment to 11 health managers, including two medical labs to two managers (COLOSUCA and CHORTI). This equipment was useful for the health units' licensing process, which in turn increases the health index in the technical aspect and the monitoring scores given by SESAL. |

Table 14: Obstacles and solutions proposed for the process of decentralization of health services.

Indicator 14: Number of men and women who received USG assisted training including management skills and fiscal management to strengthen decentralization.

USAID|NEXOS continued to strengthen the decentralized health service managers through different workshops. The mancomunidad of COLOSUCA received training on management responsibilities and those of the member municipalities (San Manuel Colohete, San Sebastian, San Marcos de Caiquin and Belen) as holders of the health service.

In addition, as part of the implementation of the National Basic Curriculum for Health Managers Training, the first module was developed with the health care staff in the municipality of Concepcion de Maria (MAMBOCAURE). The module started with the conceptual basis for the ASIS, its importance, its use and components. The guidelines to implement the Primary Health Care Teams (EAPS) were also socialized and discussed.

To summarize, all workshops focused on strengthening the decentralized health management model. 58% of participants were men and the remaining 42% were women.

| Workshop | Gender | | Total | Percentage |
|---|-----------|-----------|------------|-------------|
| | Men | Women | | |
| Review responsibilities of service providers and civil society representatives in managing the health agreement (COLOSUCA). | 10 | 10 | 20 | 16% |
| Technical exchange between decentralized health service managers based on the management agreement. | 26 | 17 | 43 | 34% |
| Application of ASIS survey based on the National Basic Curriculum for Health Managers Training. | 17 | 15 | 32 | 26% |
| Workshop for training and preparation of the strategic plan for institutional development of the UTIs network. | 9 | 3 | 12 | 10% |
| Workshop to councilmen on solidary support for the decentralized health service. | 11 | 7 | 18 | 14% |
| TOTAL | 73 | 52 | 125 | 100% |

Table 15: Number of men and women who received USG assisted training including management skills and fiscal management to strengthen decentralization.

During these training processes, participants reinforced knowledge and best practices for managing the health agreements, as they are responsible for administering the service and ensure its sustainability.

The result of these training processes is reflected in the increase of the three decentralized health service index variables. When the index was applied and the respective support documents were compiled, it was found that the municipal corporations are involved and committed in supporting the health sector through allocation of resources for health center infrastructure, payment of some health personnel, issuing municipal ordinances for the health sector, knowledge of assessment results made by SESAL to the health service providers, knowledge about their municipalities' health situation, and development of open town hall meetings for accountability sessions with the service provider and the population about the current state of the service.

The Program evaluates the level of knowledge acquired by the participants before and after each workshop. 44% of the workshop participants for this period rated their level of knowledge prior to the workshops as "very good", while 41% rated it as "good". After the workshop, 83% rated it as "very good" and only 17% as "good".

2.4.5. Activity area 1: small grants.

Indicator 15: Number of new funded activities.

During the reporting period, the Program signed five monetary grant agreements with equal number of civil society organizations, for an amount of US\$ 386,741.73 (for details see Annex G).

The presented project proposals were focused on two key areas assisted by the Program in target municipalities: water and roads.

Thus, the indicator shows a favorable level of compliance, achieving the established goal.

2.4.6. Activity area 2: small infrastructure projects.

Indicator 16: Number of small infrastructure projects executed per year.

During the month of September, the Program inaugurated two infrastructure projects in the municipalities of Copan and Santa Rita, with both projects strengthening health and education services, respectively.

Although progress of this indicator to meet the established goal was not as expected, there are five other projects that are in their final stages and will be inaugurated during the next period. In year 4, USAID|NEXOS will strengthen this component's activities to ensure the completion of all projects approved during year 3.

3. Performance Assessment by Result

The objective of this section is to provide an assessment of USAID|NEXOS's performance in the activities supporting each of the Program Results.

As per the Annual Work Plan, USAID|NEXOS's technical implementation approach for Year 3 consists of three (3) areas: 1) technical assistance, 2) small grant and infrastructure projects and 3) political transition. Figure 12 below as presented in the third Annual Work Plan.

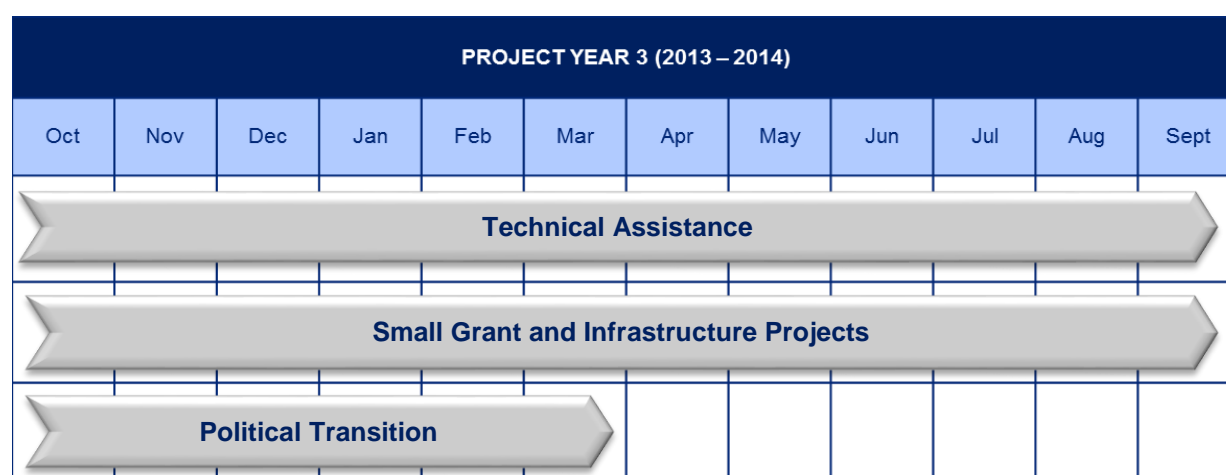


Figure 12: Broad timeline of activity types for project year 3.

3.1 Result 1: Civil Society Advocacy for Improved Local Services Increased

Technical assistance for this result consists of strengthening CSOs to improve their understanding and comprehension of their role and that of local governments in the decentralized services management cycle. This also involves strengthening municipalities so that they can develop participatory and transparent governance mechanisms that enable CSO and citizen participation. A new model for managing local services is being promoted, where social auditing and promotion of transparency is executed through organizations such as the Municipal Commissioner and the Transparency Citizen Commission.

3.1.1. Achievements/Progress

Based on the Program's work plan for the second year, this component's activities were focused on two main areas:

- A. Implementation of the Strengthening and Development of Local Capacities Plan for Civil Society Organizations.

During the sixth semester of the Program's implementation, the developed activities in this component allowed the following results:

- *Strengthening the roles of actors involved in local services management.*

“Taking firm steps to provide teachers for one-teacher schools.”

San Sebastian has 68 public schools, 38 of which operate with only one teacher to attend the first six years of elementary schools, with an average enrollment of 83 students per school.

The implementation of participative mechanisms promoted by the Program has allowed the analysis of this problem jointly with civil society, the municipal government, the COMDE and the District Board of Education.

As a result of this social dialogue, an action plan was developed to help solve the problems in elementary schools. In an open municipal council, parents were committed to send their children to school, and it was agreed to focus on two one-teacher schools to negotiate an extra teaching post.

Since June 2014, the schools in the villages of Sucte and Rancho Pericon, with an enrollment of 71 and 83 students respectively, have an additional teaching post assigned by the Ministry of Education.

Aquilino Lopez Vasquez, president of the Parents' Association of Sucte, in an open municipal council expressed his appreciation for the valuable assistance. He said that children now have a better opportunity to improve their learning.

The municipal mayor and the District Director of Education expressed their willingness to support other communities to convert one-teacher schools in at least two-teacher schools. The next step is to obtain new teaching posts for the "Belarmino Vargas" School in the village of Yologuaca, the "Ramon Villeda Morales" School in the village of Carrizal and in the "Angel Muñoz Cerrano" in the village of Candelarita. The municipal mayor and the District Director of Education expressed their willingness to support other communities to convert one-teacher schools in at least two-teacher schools. The next step is to obtain new teaching posts for the "Belarmino Vargas" School in the village of Yologuaca, the "Ramon Villeda Morales" School in the village of Carrizal and in the "Angel Muñoz Cerrano" in the village of Candelarita.

During the period from April-September 2014, The Program focused on providing technical assistance and support to civil society groups that are directly involved in service provision, such as health, water and education. As a result, work plans were developed for the AJAAMs, RCSs, USCLs, COMAS and COMDEs, among others.

Likewise, the Program supported the development of rural water plans with an information bank that will enable investments in water and sanitation services, to improve their quality and coverage. In the health and education sectors, the respective strategic plans were developed.

| Mancomunidad | RCS | AJAAM | COMAS | USCL | COMDE | Youth Network | Total |
|--------------|-----|-------|-------|------|-------|---------------|-------|
| MAVAQUI | 1 | | | | | | 1 |
| CHORTI | | 4 | 4 | 4 | 1 | | 13 |
| MANCOSOL | | | 6 | 6 | | | 12 |
| MOCALEMPA | 3 | | 3 | 3 | | | 9 |
| CAFEG | | | | | 1 | 1 | 2 |

| Mancomunidad | RCS | AJAAM | COMAS | USCL | COMDE | Youth Network | Total |
|--------------|----------|----------|-----------|-----------|----------|---------------|-----------|
| MAMBOCAURE | 3 | 2 | 2 | 2 | 1 | | 10 |
| Lepaera | 1 | | | | | | 1 |
| Total | 8 | 6 | 15 | 15 | 3 | 1 | 48 |

Table 16: Civil society organizations strengthened during April -September 2014.

As a result of the strengthening of the CCTs and Municipal Commissioners in 15 municipalities of MAVAQUI, HIGUITO, MAMBOCAURE, San Nicolas, San Antonio, Gualcinse, Piraera and San Andres, social oversight exercises were developed for health, education and water sectors, with significant results that translate in a better relationship between civil society and municipal government:

| Municipality | Social Oversight Exercise | Agreements/actions taken |
|----------------|--|---|
| Nueva Frontera | Performance of functions of the "Buen Samaritano" Water Board. | i) Participation of service users and board in maintenance and reconstruction of the water storage tank. ii) Allocation of resources in the 2014-2015 budget to support the Municipal Commissioner and the CCT in the strengthening of the municipal transparency program. |
| | Quality of care and level of satisfaction of patients from the "Vilma Gutierrez" health center. | i) Development of awareness sessions on the importance of providing quality care to the patients of the health center. ii) Establishment of criteria for priority attention to the patients for service improvement. iii) Implementation of the health prevention program through visits from the health staff to the communities. |
| Protección | Performance of functions of the urban municipal water board. | i) Allocation of resources in the 2014-2015 budget to support the Municipal Commissioner and the CCT in the strengthening of the municipal transparency program. |
| | Quality of care and level of satisfaction of patients from the "Teresa Sarmiento" health center. | i) Standardization of priority criteria to meet emergencies, pregnant women, senior citizens and children. ii) Strengthening of the preventive health program through house calls by health center staff to communities. iii) Strengthening to the health volunteers' teams through assistance and support from the health center's staff. iv) Expedite the construction of the new health center, which will be set up with the donation given by USAID/NEXOS. |
| Azacualpa | Collection and objective of the tuition funds of the "Carlos Villalvir Castro" high school. | i) In a PTA general assembly, the school's authorities presented a technical and financial report on the investment done with the tuition funds. ii) As a first step, the decision to eliminate the tuition costs for students who enrolled for the first time was taken. iii) Involvement of the parents association and the Municipal Commissioner in the process of listing and purchasing of materials with the resources disbursed by the Ministry of Education. |
| | Quality of care and level of satisfaction of patients from the health center. | i) Visits from the health center staff to the communities to promote the preventive health program. ii) Sessions on preventive health in coordination with different education centers. iii) Allocation of resources in the 2014-2015 municipal budget to improve the service provision in the "Jesus Rodriguez" municipal health center. |
| | Performance of functions of the "San Francisco" Water Board. | i) The new board of directors has representation of all neighborhoods that receive service provision from the water board. ii) Increased participation from users in maintenance, operation and monitoring of the water system. |

| Municipality | Social Oversight Exercise | Agreements/actions taken |
|--------------|--|--|
| | | iii) Development of activities for cleaning, decontamination and maintenance of the water system. iv) Allocation of resources in the 2014-2015 budget to support the Municipal Commissioner in strengthening the municipal transparency program. |
| Macuelizo | Use of school meals in 11 elementary schools in equal number of communities. | i) Involvement of parents associations in the implementation of the school meal program in 11 schools. ii) Establishment of controls to supervise the quality of food to be provided in school meals (expiration date, hygiene, etc.). iii) Standardization of the time of delivery of school meals. The delivery is done during the first recess, from 9:30-10:00 am, considering that many children arrive at school with no breakfast. |
| | Performance of functions of the Water Board in the village of Masicales. | i) Allocation of resources in the 2014-2015 budget to support the Municipal Commissioner in strengthening the municipal transparency program. ii) Conflict resolved in the transition of the incoming and outgoing board members, with the mediation of the Municipal Commissioner. The audit found there was difficulty in this transition process. iii) Delivery of accounting books and seal to the new board authorities from outgoing authorities. iv) The board began awareness activities to adjust the fee paid by users, because the audit report evidenced that the system is not sustainable with the current fee. |

Table 17: Social Oversight Exercises by Municipality.

In some of the aforementioned municipalities, up to three social oversight exercises were done at the beginning of this period. Other exercises were implemented in the third quarter (July-Sept) its results are still recent and will be reported on the next semiannual report.

| Municipality | Social Oversight Exercise |
|---------------------|--|
| Corquín | Operation of the water board in the village of Jimilile. |
| | Quality of care in Corquin's maternal and child clinic. |
| Cucuyagua | Operation of the water board in the village of Las Palmas. |
| | Operation of the School Meal Program in the municipality's schools. |
| San Pedro | Performance of the water board in the village of San Francisco. |
| San Nicolás | Operation of the Free Tuition Program and use of funds provided by parents in the "Colonel Armando Calidonio" high school. |
| | Performance and compliance of indicators in health and education centers in the municipality. |
| San Antonio | Evaluate operation of the School Meals Program in schools. |
| | Operation of the urban water board. |
| Duyure | Use of funds allocated by the local governments or other institutions for projects to be executed by the women's network. |
| Concepción de María | |
| San Marcos de Colón | |
| Gualcinse | |
| Piraera | |
| San Andrés | |

Table 18: Social oversight exercises by municipality (Jul-Sept. 2014).

In addition, in the municipality of San Andres, Concepcion de Maria and Nueva Arcadia, the joint efforts among citizens, municipality, USAID|NEXOS and authorities from the Ministry of Education allowed the progress in activities for the education service's improvement, such as:

reactivation of the COMDE, including formulation of its work plan and participatory design of the education strategic plan.

In A and B municipalities, USAID|NEXOS promoted the involvement of civil society in service improvement, which were strengthened through provided technical assistance. In this context, the municipalities of Santa Rosa de Copan, Marcala, Puerto Cortes and Santa Barbara informed the public about the results of the technical assistance provided by the Program, particularly in solid waste management and construction of slaughterhouse (Santa Rosa de Copan). Likewise, both the municipal government and civil society representatives agreed to improve these services:

Santa Rosa de Copan

- a) Include in the municipality's organizational chart a unit to manage the new slaughterhouse service model.
- b) The Federation of Community Boards, Municipal Commissioner, CCT and the Environmental Commission, undertake the commitment to support and monitor the operation of the new slaughterhouse.

Marcala

- a) Include in the current technical committee, established with USAID|NEXOS's assistance, two civil society representatives.
- b) Negotiate technical support with professionals from the municipality to develop a work plan for a period not exceeding 6 months, as part of the programmed actions for service improvement. This plan should be submitted to USAID|NEXOS Program, as evidence of empowerment and follow-up of initiatives.
- c) The Association of Community Boards of the Municipality is committed to support the integrated management of solid wastes, provided the municipal corporation is committed to issue resolutions and ordinances to promote the service's improvement.
- d) The municipal corporation is committed to fully understand the technical, legal and environmental scope of the project, in order to legislate in accordance to the demands the project will require.
- e) Expand collection routes for the solid waste service, as recommended in the technical study developed by USAID|NEXOS, incorporating the neighborhoods of San Juan and Las Victorias, once they are approved.

Puerto Cortés

As part of the technical assistance provided by the Program to the municipality of Puerto Cortes, municipal technicians and representatives from civil society organized, discussed and analyzed the solid wastes diagnostic from the municipality's urban area. These local actors took the following decisions:

- a) Plan the implementation of the "Non Hazard Urban Solid Waste Management Program", developed with support from USAID|NEXOS.

- b) Expand the service for solid waste collection in three suburban areas of interest to the municipality: Ecotourism area, Wetland area and Garifuna area.
- c) Support the municipality in mapping the current solid wastes collection routes, to update the list of service users and thereby increase income and contribute to the service's efficiency and sustainability.
- d) Perform two accountability sessions per year for the solid waste service, so the public is informed, may give opinion and influence so that the service is provided with efficiency and better quality.

Santa Bárbara.

As part of the implementation of participative mechanisms, the municipality of Santa Barbara presented a report on the technical assistance provided by USAID|NEXOS, obtaining civil society's support for the construction of a landfill that complies with technical standards for a safe disposal of wastes, as well as the expansion of service coverage for other urban areas. This event also helped to raise awareness in civil society on the need to improve this service and adjust its fees.

The agreements between civil society and the municipal government are as follows:

- a) Approve the site of El Mogote as the site selected for the landfill project.
 - b) Approve the construction of a perimeter wall in the selected area.
 - c) Approve the environmental cleanup and/or technical closure of the current landfill with municipal funds.
 - d) Rehabilitate, with municipal funds, the access through the neighborhood of El Jilote, which are 2.4 kms. to the selected site.
 - e) Implement adjustments to the solid waste collection service and street cleaning services' fees (increase of 20% to waste collection fees and 75% to street cleaning fees).
 - f) Contract the study for the design of the landfill project and environmental impact to process the project's environmental license with the Ministry of Natural Resources and Environment (SERNA).
 - g) Implement the recommended adjustments to optimize the current routes for solid waste collection, in order to improve and expand service provision in the city's urban area.
- *Strengthening of civil society to exercise its role in the cycle of decentralized services management.*

During this period, USAID|NEXOS continued the promotion of civil society as a key element to create and maintain sustainability of services. Hence the importance of designing and implementing a communication strategy that enables active participation of citizens throughout the services' different stages.

The design of these strategies was prioritized in municipalities where the support of civil society is needed to improve delivery and contribute to the sustainability of priority services such as water, health and solid waste (Cucuyagua, Azacualpa, Belen and Lepaera).

The strategy informed the citizens of all the actions that USAID|NEXOS and other institutions are performing in the municipality to improve these services. Likewise, it created a greater visibility and influence of civil society in the municipal government for decision-making in relation to local service improvement, and efficiency and transparency in the use of public resources.

In Cucuyagua and Azacualpa, a strategy was designed for the improvement of water and solid waste services. Awareness of civil society was prioritized in relation to service sustainability, highlighting the operational deficit with the fee currently paid⁶.

Another key element of the strategy was the promotion of an effective relationship between citizens and the municipal government, as an essential element for an effective participatory governance, making the following decisions:

Water:

- a) Establish the USCLs, at the suggestion of civil society (Azacualpa and Cucuyagua).
- b) Allocate resources from the municipal budget for the operation of the public service unit (Azacualpa).
- c) Reactivation of the municipal chlorine bank in Azacualpa and implement thereof in Cucuyagua.
- d) Adjustment of fees to achieve sustainability of water service (Azacualpa and Cucuyagua).
- e) Household monitoring for control of water use, regulating it through municipal ordinances.
- f) Activate filter to control the turbidity of drinking water (Azacualpa).
- g) Allocation of counterpart resources for service improvement projects (resource management).

Solid Waste:

- a) Promote the initiative with civil society to manage the solid waste collection system aiming for its sustainability.
- b) Implement a strategy to recover arrears for non-payment of the solid waste collection system (Azacualpa.)
- c) Work jointly (civil society and municipality) to allocate funds for the construction of landfills (Cucuyagua and Azacualpa).
- d) Improve the planning of solid waste collection routes (Cucuyagua and Azacualpa).
- e) Prosecute clandestine slaughterhouses and poultry farms that do not follow sanitary standards (Cucuyagua).
- f) Initiate an effective process for source separation of household solid wastes (Cucuyagua and Azacualpa).

⁶ In the case of Cucuyagua and Azacualpa, the solid waste collection service is partially subsidized by the municipality.

- *Strengthening of civil society for the sustainability of small infrastructure projects (SIP) funded by the Program.*

As part of the implementation of the project "Lighting of Public Spaces", currently being executed by USAID|NEXOS in Nueva Frontera, the Program supported the design of a strategy to co-administrate the sports facility and the multipurpose stage with the purpose of delegating its administration to a committee of young athletes. Both the local government and the youth committee agreed to support this strategy.

Likewise, progress was made in the development and approval of regulations for the use of the sports facility, which was submitted to the vice mayor for the municipal corporation's approval. Currently the youth committee has begun the administration of the facility, which is being used by 24 soccer teams (20 people per team), with an average of 3 matches a day. Each match has a fee of L. 300. These funds are used for maintenance of the lawn, payment of electricity and general maintenance services.

B. Implementation of the Strengthening and Development of Local Capacities Plan in the municipality as participatory governance.

This period's most notable achievements include:

- *Opening of participation spaces, through planning and approval of participatory mechanisms to be implemented in 2014.*

USAID|NEXOS continued to promote in the municipal corporations the implementation of different participatory mechanisms, in which the citizens had the opportunity to make decisions or agreements for service improvement. The agreements made jointly between both actors are registered in a software designed by the Program for such purposes.

- *Follow up on agreements between the local government and civil society.*

Between April-September 2014, 23 municipalities registered in the database more than 500 agreements reached between the local government and civil society. Of the total of agreements, 25.8% corresponds to institutional strengthening, 22.5% to education, 12.9% to others (sewage, solid waste, environment, electrification and others), 9.0% to water, 8.5% to public security, 7.6% to infrastructure, 7.0% to roads and the remaining 6.8% to health. The level of compliance of these agreements is approximately 58%:

| Municipio | Agreements April-September 2014 | | | | |
|------------|-------------------------------------|--|--------------------------|--------------------------|--------------|
| | Registered in the database (number) | Complied (in relation to local services) | Percentage of compliance | In process of compliance | Not complied |
| Azacualpa | 21 | 18 | 86% | 3 | |
| Belen | 13 | 8 | 62% | 5 | |
| Candelaria | 8 | 1 | 13% | 7 | |
| Cololaca | 22 | 9 | 41% | 13 | |
| Cucuyagua | 2 | 1 | 50% | 1 | |
| Duyure | 3 | 3 | 100% | 0 | |

| Municipio | Agreements April-September 2014 | | | | |
|-----------------------|-------------------------------------|--|--------------------------|--------------------------|--------------|
| | Registered in the database (number) | Complied (in relation to local services) | Percentage of compliance | In process of compliance | Not complied |
| Gualcince | 30 | 18 | 60% | 12 | |
| Guarita | 9 | 3 | 33% | 6 | |
| La Jigua | 23 | 19 | 83% | 4 | |
| Macuelizo | 86 | 52 | 60% | 34 | |
| Nueva Arcadia | 12 | 4 | 33% | 7 | 1 |
| Nueva Frontera | 1 | 0 | 0% | 1 | |
| Piraera | 34 | 15 | 44% | 19 | |
| Protección | 64 | 63 | 98% | 1 | |
| San Andrés | 53 | 36 | 68% | 17 | |
| San Antonio | 41 | 12 | 29% | 27 | 2 |
| San Juan Guarita | 9 | 6 | 67% | 3 | |
| San Marcos de Caiquín | 9 | 2 | 22% | 5 | 2 |
| San Marcos de Colón | 13 | 4 | 31% | 9 | |
| San Nicolás | 17 | 7 | 41% | 10 | |
| Tambla | 26 | 6 | 23% | 20 | |
| Tomalá | 37 | 21 | 57% | 16 | |
| Valladolid | 10 | 6 | 60% | 4 | |
| TOTAL | 543 | 314 | 58% | 224 | 5 |

Table 19: Follow-up on agreements taken by target municipalities between April and September 2014.

Follow-up of these agreements by civil society is helping to improve the level of trust, coordination and collaboration with local governments. It also helps to improve the level of compliance of the agreements made by the municipal corporation for the execution of projects financed with municipal funds.

3.1.2. Problems Encountered and Remedial Actions

The Table below summarizes the issues encountered in Result 1 activities and their corresponding remedial actions.

| Issue | Description | Proposed Remedial Action |
|---|---|--|
| Strengthening of civil society in A and B municipalities. | The implementation of accountability sessions and signing of agreements between civil society and municipal governments to enhance solid waste services was an important challenge, due no interest to participate and poor cooperation from the technicians and municipal authorities. | Reschedule technical assistance for civil society in Comayagua for the first semester of year 4, after consulting with the mayor. In municipalities such as Marcala and Puerto Cortes, work dates were postponed and the Program was able to dialogue with the mayors so they could give precise instructions to the technical staff to support this activity. |

Table 20: Obstacles and Remedial Actions for Result 1

3.1.3. Programmed Activities for the Year 4, Semester 1 (Y4S1)

Activities for the first semester of year 4 of the Program are shown below:

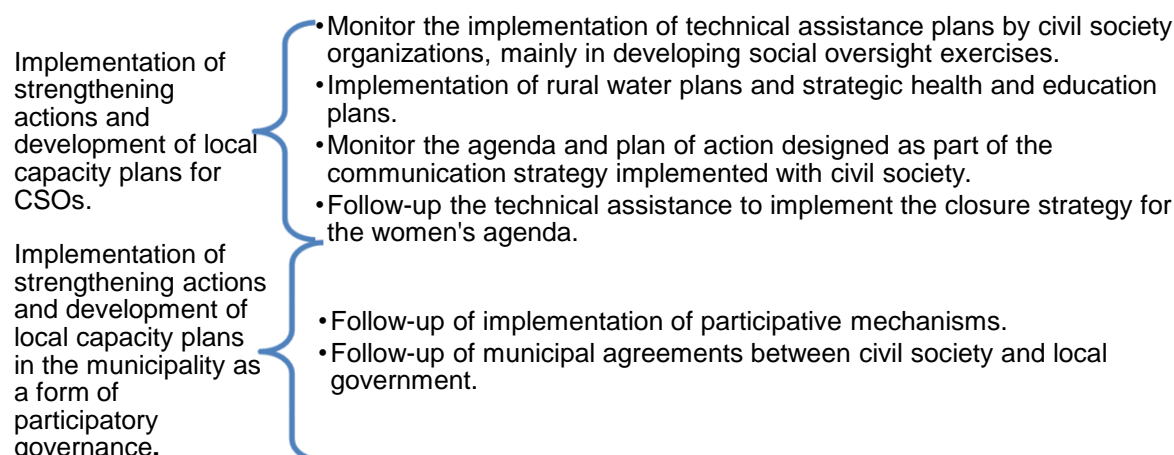


Figure 13: Result 1 Programmed Activities for Y4S1

3.2 Result 2: Local Institutional Capacity to Deliver Decentralized Services Strengthened

Program Result 2 aims at developing local capacity to deliver target services effectively in response to the demand for better services.

3.2.1. Achievements/Progress

During this period, USAID|NEXOS continued implementing institutional strengthening plans in 38 target municipalities. Strengthening plans include two basic components: 1) improvement of municipal administrative and financial management, and 2) improvement of local service provision.

A. Improvement of municipal administrative and financial management.

USAID|NEXOS implemented different strategies for income generation, the results are shown as follows:

- *Implementation of the Single Taxpayers' Registry (RUC).*

To date, the selected target municipalities have incorporated between 664 and 11,671 users to the RUC database, which will allow improvement of customer service and tax collection.

| Mancomunidad | Municipality | Evaluated aspect | |
|--------------|---------------------|--|---|
| | | Initial number of registered taxpayers | Final number of taxpayers (filtered and updated) incorporated in the RUC database |
| COLUSUCA | Gracias | 0 | 6,127 |
| | Belén | 678 | 1,514 |
| | San Manuel Colohete | 485 | 3,382 |

| Mancomunidad | Municipality | Evaluated aspect | |
|--------------|-----------------------|--|---|
| | | Initial number of registered taxpayers | Final number of taxpayers (filtered and updated) incorporated in the RUC database |
| | San Sebastián | 805 | 2,312 |
| | San Marcos de Caiquín | 452 | 1,369 |
| HIGUITO | Corquín | 6,429 | n/d |
| | Cucuyagua | 3,671 | 2,360 |
| | San Pedro | 1,818 | n/d |
| MAVAQUI | Azacualpa | 0 | 7,836 |
| | Macuelizo | 0 | 11,671 |
| | Protección | 0 | 6,142 |
| | Nueva Frontera | 0 | 5,974 |
| CHORTÍ | La Jigua | 2,297 | 1,551 |
| | Nueva Arcadia | 11,677 | 11,390 |
| | San Antonio | 1,316 | n/d |
| | San Nicolás | 3,527 | 3,600 |
| MANCOSOL | Cololaca | 284 | 664 |
| | Guarita | 3,251 | 1,657 |
| | San Juan Guarita | 1,172 | 793 |
| | Tambla | 1,881 | 2,713 |
| | Tomalá | 1,098 | 2,981 |
| | Valladolid | 1,313 | 1,085 |
| MAMBOCAURE | San Marcos de Colón | 0 | 9,470 |

Table 21: Progress in RUC implementation, to September 2014.

- *Implementation of tax audits.*

During this period, the technical staff of the municipalities' tax administration unit focused on recovery of arrears, which is why the tax audits were suspended. The results of this technical assistance will be reported in the next period.

- *Implementation of administrative fee for recovery of arrears.*

This activity seeks to identify, filter and document the tax arrears in each assisted municipality, establishing, among other aspects, the type of arrear, period of arrear, amounts owed by each taxpayer with the respective interests, penalties and other charges that may apply. On the other hand, the activity also seeks to implement the procedures to exercise administrative fees for recovery of arrears based on the Law.

As a result of this technical assistance, 12 municipalities collected over six million of lempiras from recovery of arrears from taxes and service fees.

| # | Municipality | Collection (L.) Apr-Sept 2013 | | Collection (L.) Apr-Sept 2014 | | Increase (L.) | | Relative Variation 2014/2013 | |
|---|---------------------|--|---|--|---|--|---|--|---|
| | | For collection of rights and tax arrears | For collection of municipal services' arrears | For collection of rights and tax arrears | For collection of municipal services' arrears | For collection of rights and tax arrears | For collection of municipal services' arrears | For collection of rights and tax arrears | For collection of municipal services' arrears |
| 1 | Gracias | 119,238.6 | 85,452.6 | 236,059.8 | 148,989.4 | 116,821.2 | 63,536.9 | 98% | 74% |
| 2 | San Manuel Colohete | 151,252.9 | 2,880.0 | 20,349.2 | 24,118.2 | -130,903.8 | 21,238.2 | -87% | 737% |

| # | Municipality | Collection (L.) Apr-Sept 2013 | | Collection (L.) Apr-Sept 2014 | | Increase (L.) | | Relative Variation 2014/2013 | |
|----|---------------------|--|---|--|---|--|---|--|---|
| | | For collection of rights and tax arrears | For collection of municipal services' arrears | For collection of rights and tax arrears | For collection of municipal services' arrears | For collection of rights and tax arrears | For collection of municipal services' arrears | For collection of rights and tax arrears | For collection of municipal services' arrears |
| 3 | San Sebastián | 9,924.8 | 0.0 | 29,226.8 | 0.0 | 19,302.0 | 0.0 | 194% | n/d |
| 4 | Corquín | 32,766.2 | 9,475.0 | 154,618.2 | 125,748.4 | 121,852.0 | 116,273.4 | 372% | 1227% |
| 5 | Cucuyagua | 265,561.2 | 0.0 | 301,186.1 | 179,549.0 | 35,624.9 | 179,549.0 | 13% | n/d |
| 6 | Azacualpa | 366,259.9 | 60,273.5 | 280,059.7 | 193,136.4 | -86,200.3 | 132,862.9 | -24% | 220% |
| 7 | Macuelizo | 264,270.1 | 47,035.0 | 632,937.7 | 35,580.0 | 368,667.6 | -11,455.0 | 140% | -24% |
| 8 | Nueva Arcadia | 946,741.2 | 39,421.4 | 1456,086.7 | 114,351.6 | 509,345.5 | 74,930.2 | 54% | 190% |
| 9 | San Nicolás | 266,914.9 | 36,642.5 | 137,403.9 | 178,060.0 | -129,511.1 | 141,417.5 | -49% | 386% |
| 10 | San Marcos de Colón | 328,562.6 | 102,023.1 | 848,909.8 | 131,198.5 | 520,347.2 | 29,175.5 | 158% | 29% |
| 11 | Lepaera | 296,163.5 | 44,105.0 | 145,095.1 | 8,675.0 | -151,068.5 | -35,430.0 | -51% | -80% |
| 12 | Trinidad | 629,235.0 | 93,496.4 | 430,547.0 | 210,321.5 | -198,688.0 | 116,825.1 | -32% | 125% |
| | Total | 3,676,890.9 | 520,804.5 | 4,672,479.8 | 1,349,728.1 | 995,588.9 | 828,923.6 | 788% | n/d |

Table 22: Results of implementation of administrative fee for recovery of arrears.

- *Updating of cadastral survey.*

This activity seeks to identify and record, with their respective cadaster values, the properties that are not included in the municipal cadaster's database, as well as any additions or improvements that have been made in the properties that have been duly registered, generating accurate information to begin the billing process.

In municipalities where a cadastral survey was done (Guarita, San Juan Guarita, Tomalá and Valladolid) the property survey was concluded, pending the process of land appraisal and its improvements, which will be developed in the next period. The results on billing and property tax collection for the newly included properties will be also reported in the next period.

Updating and monitoring of the cadastral survey developed in the municipalities of Candelaria and Gualcinse will allow to include in the cadastral database all those identified properties with their respective appraisal to begin an effective process of property tax collection.

| No. | Municipality | Evaluated aspect | | | |
|-----|------------------|---|--|---|---|
| | | Final number of new land lots incorporated in the municipal cadaster. | Final number of land lots incorporated to the municipal system | Billing done in accordance to update (yes/no) | Projected and/or generated income from the update |
| 1 | Gualcinse | 60 | 60 | Si | 21,837.09 |
| 2 | Candelaria | 75 | 75 | Si | 12,634.07 |
| 3 | Valladolid | 63 | 0 | No | n/d |
| 4 | Tomalá | 428 | 0 | No | n/d |
| 5 | Guarita | 161 | 0 | No | n/d |
| 6 | San Juan Guarita | 288 | 0 | No | n/d |

Table 23: Progress in updating or cadastral survey.

Furthermore, as part of the replication process of the technical assistance provided, USAID|NEXOS, through the subcontracting of HIGUITO, developed the urban cadastral survey in the municipalities of Dolores and Dulce Nombre in Copan, and has begun the entry of information in the system.

- *Definition or Expansion of the Urban Boundaries*

This technical assistance consists in developing a study to expand and/or define the urban boundaries in selected target municipalities. This activity involves a series of processes, ranging from identifying potential land areas that may be included into the municipality, the development and approval of the study, to the study's submission to the SDHJGD for its approval. To date, four municipalities⁷ have had this study approved by their respective municipal corporation. This process is expected to be concluded in the next period.

- *Definition of the new cadastral values catalogue, to be implemented in 2015.*

With the purpose of developing the new value catalogue for the 2015-2020 period, a cadaster reassessment workshop was developed for 19 target municipalities. A total of 16 cadaster technicians participated in the event.⁸

With this assistance, each municipality will have the new cadastral values catalogue to apply the cadastral reassessment for the 2015-2020 period, in compliance with Article 76 of the Municipalities Law.

To date, local authorities from 19 municipalities have approved this catalogue. Next year, the catalogue will be socialized with the communities for its implementation in cadastral systems for property tax collection, thus improving municipal revenues.

- *Implementation of financial accounting in six municipalities of MANCOSOL through the UFIM.*

During this period, this activity was completed in the six municipalities of MANCOSOL, which now have an accounting unit, a budgetary structure and the necessary human resources and materials to implement an updated financial accounting. Currently, the financial information has been uploaded to generate financial statements (balance sheets, income statements, among others). The financial accounting module of the Financial Tax Administration System (SAFT) was installed and the respective technical personnel was trained.

- *Installation of SAFT.*

As part of the inter-institutional cooperation, USAID|NEXOS, supported by technicians from AMHON, installed the SAFT in municipalities from MOCALEMPA⁹ and Corquin. Furthermore,

⁷ Gracias, Cucuyagua, Nueva Arcadia and Macuelizo.

⁸ San Marcos de Colón, Concepción de María, Gracias, Belén, San Sebastián, Corquín, San Pedro, Cucuyagua, Macuelizo, Azacualpa, Nueva Frontera, Protección, Nueva Arcadia, San Antonio, Lepaera and Trinidad.

the accounting modules were also installed in the municipalities of MAVAQUI¹⁰, the cadaster module was installed in Nueva Arcadia, Macuelizo and San Antonio, and the public service module was installed in Nueva Frontera, Macuelizo and Azacualpa.

- *Follow up to GL Accountability*

In relation to this technical assistance, the Program is working with the Local Strengthening Unit of SDHJGD, to support target municipalities in overcoming difficulties in the preparation of the different reports that are submitted quarterly and annually to different government institutions.

To the closing of this report, a total of 18 municipalities received the municipal transfer for the 2014 second quarter, for presenting on time and in due form the financial information.

Other municipalities face problems related to internet connectivity for the use of the SAMI module, and including observations given by the Superior Accountability Tribunal (TSC) and SDHJGD in their reports, a situation that the Program is monitoring.

B. Improvement of provision of local services.

- *Transfer process of the water system from the National Autonomous Water and Sewage Service (SANAA) to three target municipalities (Copan Ruinas, Nueva Arcadia and San Marcos de Colon).*

Progress in this process has not been as expected, since the signature of the agreement between SANAA and the municipalities is still pending. On the other hand, the central government has no financial resources to meet the labor liability the agreement represents. However, the Program authorities held a meeting with the Executive Director from the Community, Water and Sanitation Development Institute (IDECOAS) to aid in the progress of this water system transfer process. The mayors of the three above-mentioned municipalities sent a request to this institute for support in continuing this process.

- *Development of water and sanitation service provision models (Corquín, Cucuyagua, San Pedro, San Nicolás, Lepaera, Azacualpa and San Antonio).*

USAID|NEXOS supported the development of municipal strengthening proposals for water and sanitation service delivery, to develop delivery models that create proper conditions for improved delivery to citizenship.

Based on the strengthening proposal designed for **Corquín**, the municipality created the service public department, modifying the municipal organizational chart for its incorporation. Likewise, the municipality appointed the head of the department, who is responsible for integrating the operational and administrative functions of public services.

⁹ La Virtud, Mapulaca and Virginia.

¹⁰ Azacualpa, Macuelizo, Nueva Frontera y Protección.

The Program also made progress in the process of updating the service users' cadaster, pending clearance of 29% of the total survey respondents, corresponding to 43 users with more than one illegal water connection and 527 reported with "no service"¹¹. During the past three years, this municipality has subsidized 61% of public service provision, representing more than 2 million lempiras. The municipal corporation approved the new public service rates, which will take effect starting January 2015. Likewise, the landfill site has been identified and assessed.

In **San Pedro de Copan**, the Program proposed to maintain the water and sanitation provision model (process under implementation). A total of 469 illegal users were identified, of which 49% have been incorporated in the public service tax base. During the past three years, the municipality has subsidized 60% of the cost for service provision, representing 973, 210.41 lempiras. The municipal corporation agreed to socialize in an open municipal council the newly approved rates, based on the analysis made with administrative and operational costs. Public services are billed from the service module in the Municipal Administrative and Financial Information System (SIMAFI), in an integrated way.

The municipality of **Cucuyagua** restructured the department, developed its job description manual, and completed the process of debugging the public service users' cadaster, identifying 310 illegal users. Likewise, the municipality included a line item in the 2015 budget to finance the installation of the public service module in the SIMAFI. A plan to recover arrears for public services and changes in rates for water, sewage and solid waste disposal services were also implemented. These approved new rates are being billed since April 2014.

| Category | Sub category | Monthly rate for water service provision (L.) | | Increase in percentage |
|------------|----------------------|---|-------|------------------------|
| | | 2013 | 2014 | |
| Domestic | Single | 30 | 50 | 67% |
| Commercial | Single | 40 | 64 | 60% |
| Hotels | 1 to 10 rooms | 80 | 128 | 60% |
| | 10 to 20 rooms | 120 | 192 | 60% |
| | 20 or more rooms | 200 | 320 | 60% |
| Industrial | Water purifier | 1,000 | 1,600 | 60% |
| | Cement block factory | 200 | 352 | 76% |

Table 24: Rate changes for service provision in Cucuyagua.

Between April and September 2014, this change in rates represented an increase of 293% in fee collection, compared to the same period last year, as shown in following table:

| Service | Fee Collection (L.) | | Increase (L.) | Relative Variation 2014/2013 |
|-------------------------------|---------------------|----------------|----------------|------------------------------|
| | Apr-Sept 2013 | Apr-Sept 2014 | | |
| Water | 77,620 | 205,954 | 128,334 | 165% |
| Sewage | 25,780 | 33,702 | 7,922 | 31% |
| Solid Waste Collection System | 39,855 | 78,665 | 38,810 | 97% |
| Total | 143,255 | 318,321 | 175,066 | 122% |

Table 25: Impact on revenue from rate changes in Cucuyagua.

¹¹ This information must be corroborated in the field.

In **San Nicolas** and **Azacualpa** the institutional strengthening proposal for water and sanitation services recommended to gradually promote a model where services are provided by a decentralized municipal unit with civil society's participation, thereby giving service management more administrative and financial autonomy.

The **San Nicolas** proposal was approved by the municipal corporation at the end of this period. To date, progress has been made in the public service users' cadaster, updating 1,489 users and identifying 168 illegal users.

In **Azacualpa**, the proposal is pending approval. However, progress was made with the service users' cadaster, updating 4,980 users and identifying 2,109 illegal users. The public service module was recently enabled and work is being done to crisscross generated information and migrate it to the billing system.

The **Lepaera** proposal recommends maintaining the current management model, where different municipality departments provide water and sanitation services. The municipal corporation took action for recovery of arrears (service suspension to users with more than five months in arrears) and appointed the technician who will coordinate public service activities in the operational area (the financial area will be coordinated by Tax Control). This technician will be involved in the preparation of the 2015 municipal budget, in order to include the unit's operational costs.

The service users' cadaster was 100% debugged, identifying 1,255 illegal users, of which 26% have been included in the service users' database. Additionally, an increase in the service provision rates was approved, billing the new rates since January 2014.

In **San Antonio**, the institutional strengthening proposal for water and sanitation services is designed to delegate the sewage service to the Urban Water Board. This proposal is pending submission and approval by the municipal corporation.

On the other hand, USAID|NEXOS is promoting the delegation of the solid waste disposal service to the Water Board in **Protección**. To date, the water board has agreed to enter this process prior to know and evaluate the service's challenges. Currently, the service's coverage is less than 30% in the urban area and has no fee charge.

- *Implementation of solid waste collection services in the urban area of Nueva Frontera (Trasceros).*

The service is currently attending a total of 889 users (881 domestic, 7 combined, 1 commercial). The increase on the number of users in relation to the initial census was 20% (148 users). To date, there has been no interruption with the service provision or its coverage, which is provided every Monday.

In March 2014, the municipality decided to give a grace period of six (6) months to the users of the new service to begin paying the corresponding service's rates; this period ended on September 3, 2014.

The users' cadaster information on the new service was entered into the billing system. The system is ready for billing and issuing payment reminders, which will be done starting in October 2014.

Regarding the implementation of good practices, two garbage trenches were closed, and a third trench is being used by applying layers of slightly compacted material. The whole site is in order and clean.

- *Implementation of users' cadaster for water, sewage and solid waste collection services.*

Up to September 2014, the municipalities that are implementing the cadaster have identified more than seven thousand new users that were receiving the service but were not paying for it, thus reducing the amount of illegal users. This will increase income generation through service fee payments.

| No. | Municipality | New Users per Service by September 2014 | | | |
|-----|-----------------------|---|--------------|--------------|--------------|
| | | Water | Sewerage | Solid Waste | Total |
| 1 | Belén | -60 | 21 | n/a | -39 |
| 2 | San Manuel Colohete | 15 | -3 | 51 | 63 |
| 3 | San Sebastián | 8 | 162 | n/a | 170 |
| 4 | San Marcos de Caiquín | -29 | 12 | n/a | -17 |
| 5 | Corquín | n/d | n/d | n/d | n/d |
| 6 | Cucuyagua | 70 | 80 | 160 | 310 |
| 7 | San Pedro | 163 | 145 | 161 | 469 |
| 8 | Azacualpa | 195 | 1,063 | 851 | 2,109 |
| 9 | Macuelizo | 49 | n/a | n/a | 49 |
| 10 | Nueva Arcadia | n/a | 1,951 | 1,237 | 3,188 |
| 11 | San Nicolás | -31 | 101 | 98 | 168 |
| 12 | Tomalá | n/a | 52 | 1 | 53 |
| 13 | San Marcos de Colón | n/a | n/d | n/d | n/d |
| 14 | Lepaera | 348 | 582 | 325 | 1,255 |
| | TOTAL | 728 | 4,166 | 2,884 | 7,778 |

Table 26: Results of users' cadaster by September 2014.

- *Implementation of pilot project for decentralized joint road maintenance service.*

At the beginning of this period, the mayors of the mancomunidad of CAFEG unanimously approved the proposal for the decentralized joint road maintenance service.

The mancomunidad's board of directors approved the creation of the Joint Technical Road Unit (UTVM), and the municipal corporations approved the increase of the contribution given to the mancomunidad to ensure its operation. Likewise, the board approved the creation of the Joint

Road Fund (FOVIMA) and agreed to open the bank account in which deposits will be made to pay the road maintenance companies.

The plan and timeline for the UTMV was developed for a 12 month period. Among the first activities is the preparation of an inventory and mapping of the municipal roads of the seven municipalities from CAFEG. For this activity, the mancomunidad requested financial and technical support to the Rural Infrastructure Program implemented by FHIS. The Program reported that the expected product will be ready by the end of October 2014.

Another initiated activity from the aforementioned plan is the development of the 2015 Joint Road Maintenance Plan, which should include the projects to be financed with funds from the FOVIMA.

- *Design of urban water plans for the municipalities of San Andres, Piraera, Gualcinse and Candelaria.*

USAID|NEXOS assisted the four municipalities from CAFEG in the formulation of urban water plans, which not only identify, prioritize and pre-assess investments for the aqueduct's improvement, but also identify actions related to the strengthening of the aqueduct's water boards, which are responsible for the water service provision by delegation of the municipalities. The results of these plans' implementation will be reported in the next semiannual report.

- *Strengthening of urban solid waste management in four A and B category municipalities (Puerto Cortes, Comayagua, Santa Barbara and Marcala).*

USAID|NEXOS strengthened four A and B category municipalities through development of capacities and institutional conditions to promote a transformation of the traditional model of management of urban solid wastes, towards a model of "integrated management", which will greatly improve sanitary conditions and consider environmental aspects throughout the whole cycle of service delivery, and not only in the final stage of waste disposal. The following table describes the scope of completed activities in each municipality:

| No. | Technical Assistance Activity | Municipality | | | |
|-----|--|---------------|-----------|---------|---------------|
| | | Puerto Cortes | Comayagua | Marcala | Santa Bárbara |
| 1 | General diagnostic of the current solid waste collection, disposal and treatment service provision. | √ | | | |
| 2 | Proposal for expansion or optimization of the traditional solid waste collection system. | √ | √ | √ | √ |
| 3 | Proposal for implementation of solid waste collection service in urban perimeter areas with no coverage. | √ | | | |
| 4 | Environmental education program for the proper management of urban solid waste. | √ | | | |
| 5 | Environmental education program for the use of urban solid waste. | | √ | | |
| 6 | Diagnostic of the landfill's current situation and alternatives to improve its operation. | √ | | | |

| No. | Technical Assistance Activity | Municipality | | | |
|-----|---|---------------|-----------|---------|---------------|
| | | Puerto Cortes | Comayagua | Marcala | Santa Bárbara |
| 7 | Characterization study of municipal solid waste. | | √ | | |
| 8 | Integrated management system for hazardous solid wastes. | | √ | | |
| 9 | Feasibility study for landfill site. | | | √ | √ |
| 10 | Management of non-hazardous urban solid waste program. | | | √ | √ |
| 11 | Study of rates for solid waste collection and street cleaning services. | | | √ | √ |
| 12 | Training of municipal staff in urban solid waste management topics. | √ | √ | √ | √ |

Table 27: Scope of technical activities in four A and B category municipalities.

As part of the technical assistance provided, the municipalities implemented some recommendations done by the technical staff hired by USAID|NEXOS, as shown below:

| No. | Municipality | Implemented Recommendations |
|-----|---------------|--|
| 1 | Puerto Cortés | <ul style="list-style-type: none"> Modification of the solid waste slope in the landfill, because it was not being properly done. Currently the slopes are being done on a 3:1 ratio. Cleaning of the septic tank built in previous years to monitor and treat leachate produced in the landfill, in order to evaluate its operating conditions and make decisions regarding its rehabilitation and operation. The analysis results of the landfill's current situation show that it needs to improve operating practices in the disposal site and mainly rehabilitate and continue the works for leachate collection. With support from the private sector, the municipality conducted a weighing of the collected solid wastes, since there is no scale in the landfill. The results show that the municipal service collects between 36-65 tons of garbage on a daily basis. |
| 2 | Comayagua | <ul style="list-style-type: none"> Two routes for collecting solid wastes were modified, one of them increased service frequency from one day to two days a week, improving the service's quality provision especially in areas with high temperatures that need this collection frequency, such as downtown Comayagua, where users have reported they were highly satisfied with this improvement. |
| 3 | Santa Bárbara | <ul style="list-style-type: none"> A site was selected for the construction of the municipal landfill, which was socialized with civil society before its approval. Hiring of a tractor to repair the alternate access road to the landfill, which will reduce distances to transport solid wastes. |
| 4 | Marcala | <ul style="list-style-type: none"> A site was selected for the construction of the municipal landfill, which was socialized with civil society before its approval. |

Table 28: Recommendations implemented by A/B municipalities as part of the technical assistance provided by USAID|NEXOS.

- *Design and implementation of proposal to improve slaughterhouse service in Santa Rosa de Copan.*

Initially, a feasibility study was prepared to determine the actual and potential demand of the slaughterhouse service. This study pointed the need to relocate the current slaughterhouse to a new location with no house construction in at least one kilometer radius. Likewise, the current situation analysis for the slaughterhouse was prepared, as well as the final slaughterhouse

design (blueprints, budget, construction specifications), the strategy to implement the management model and its business plan. The proposal's implementation is scheduled for next period.

3.2.2. Problems Encountered and Remedial Actions

The Table below summarizes the issues encountered in Result 2 activities and their corresponding remedial actions.

| Issue | Description | Proposed Remedial Action |
|---|--|---|
| Meeting deadlines for delivery of accountability reports to SDHJGD and TSC. | Most of the target municipalities have had difficulties in meeting the deadlines for submission of reports to SDHJGD and TSC, due to delays in response times from the GL tool administrators and problems accessing the internet. | Participate in meetings scheduled by the institutions responsible for this tool in order to identify alternative solutions. |
| Inclusion of the public services users' cadaster to the billing system. | Lack of a public services module in the administrative and financial system used by the municipalities. | Enable the public services module, with support from AMHON, in those municipalities that use the SAFT system. Negotiate with those municipalities that use the SIMAFI to acquire the public service module from this system's provider. |
| Technical assistance in cadastral issues | The difficulty for hiring the consultants to provide the cadaster assistance (urban boundaries, cadaster re-assessment, survey and cadastral update) caused delays in the start of these activities in some municipalities, and postponing of activities in others. | Reprogram technical assistance. |
| Approval and implementation of UTMV in CHORTI. | There are obstacles in the mancomunidad of CHORTI to promote the pilot project for the joint decentralized road maintenance service, especially the one related to the organization's key personnel, since the change of local authorities has had a negative impact on the Program. | The decision to continue or not with this activity will depend on next quarter's conditions, since this type of project requires high political support to achieve expected results. |
| Response to technical assistance from A and B municipalities. | A and B municipalities have more complex conditions in which to implement activities and proposals, especially regarding financial resources, which the Program does not offer. | Include in the work plan for year 4 activities to execute the proposals in Santa Barbara and Marcala, for the interest they have shown in receiving assistance and willingness to promote the recommended activities. |
| Lack of political will from the authorities in San Antonio, Copan, to delegate the sewage service to the urban water board. | Local authorities do not seem interested or collaborative in developing jointly with the water board the proposal and implementation strategy for this process. | Present the proposal and implementation strategy developed by USAID/NEXOS to the mayor and technical staff, and assess their interest to continue with the process. |
| Decrease of own revenues in municipalities. | During the Program's third year of execution, the municipalities' own revenues were reduced in real terms. In addition, the amount allocated for investment did not reach the expected level. This generated an "at risk" or "below expectations" level of performance for the PMP indicators. | Continue the implementation of strategies for generating own revenues (tax audit, recovery of arrears and establishment of new cadastral values) and communication strategies with civil society. |

Table 29: Obstacles and Remedial Actions for Result 2.

3.2.3. Programmed Activities for the Year 4, Semester 1 (Y4S1)

For next period, work will continue in the following two areas:

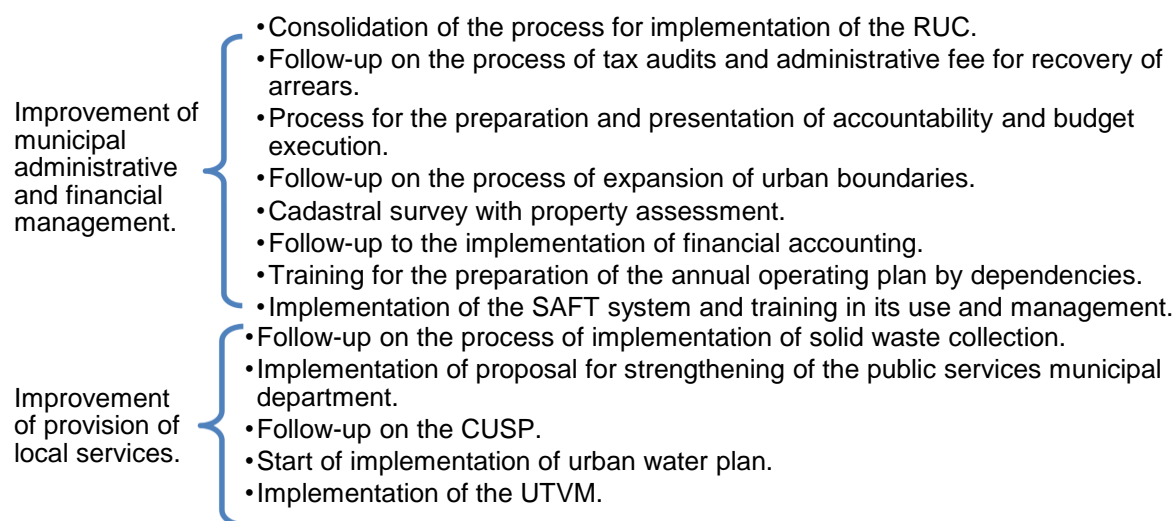


Figure 14: Result 2 Programmed Activities for Y4S1

3.3 Result 3: Structures and Systems to Implement Reform Strengthened

The emphasis of Result 3 is on identifying critical challenges and opportunities for decentralization of each targeted service, including the level of government in which the identified challenges and opportunities lie. This component implies working with all government levels involved in decentralization, including the leading regulatory institutions for each service, its regional representative, and local stakeholders.

3.3.1. Achievements/Progress

The implementation mechanism for this component involves coordination with institutions or organizations at both central and local level to make progress in the decentralization process of local services and strengthening of decentralized health service managers. The results achieved are described below.

- Advocacy and coordination with other programs.

During this period, USAID|NEXOS continued its participation in meetings of the Donor Roundtable for Decentralization and Local Development, working in coordination with DEE Project, the Association of Municipalities of Honduras (AMHON), SDHJGD and other donors, in the definition of a critical path to obtain a single version of the two existing drafts of the Decentralization Law.

The Program also participated in the XXIV National Assembly of AMHON, in which Mayor Nery Cerrato, from the municipality of Teupasenti, was elected president for the 2014-2016 period.

Based on the National Basic Curriculum for Health Managers Training, the Decentralized Management Unit of the Ministry of Health formulated an implementation plan to develop national curricular modules. This plan includes the workshop program for module development, cost, fees and mobilization of consultants. This shows the interest and appropriation of the Curriculum (designed by USAID|NEXOS) by the national institution responsible for its implementation.

USAID|NEXOS, along with the health service providers, also designed an implementation matrix of the curriculum, identifying the training provided by the Program as well as the issues and hours needed to complement such training during the Program's fourth year.

As part of the interagency coordination between SESAL and ULAT, the document "Guidelines for Social Audit and Accountability to Citizens for Health Managers" was discussed; this document contains a methodological process and technical tools to develop community oversight exercises. USAID|NEXOS will follow up this discussion and implementation.

- Strengthening of local structures for provision of decentralized services.

During this period, technical assistance activities for the strengthening of mancomunidades and municipalities that provide health services show the following results:

Institutional Aspect:

- i. Organization and functions manual adapted for the mancomunidades of COLOSUCA and CHORTI.

Technical Aspect:

- i. Plan developed for COLOSUCA to reduce maternal and infant mortality, which includes different strategies to achieve the established

"How we have used closed health spaces".

The mancomunidad of CHORTI, as a decentralized health service provider, serves a total population of 68, 674 inhabitants in 5 municipalities (Nueva Arcadia, San Nicolas, San Antonio, La Jigua and El Paraiso). As expressed by Isabel Molina, coordinator of the health network: "we were thinking on how to improve the coverage of the CESAMO in the municipality of El Paraiso, which became part of CHORTI on February 2013. By November of that same year, no progress could be seen in the performance indicators for child mortality and other programs such as uptake of pregnant women, postpartum, institutional child births, and detection of respiratory symptomatic, among others.

CHORTI received this new municipality with 2 CESARs, 1 CESAMO, a labor and delivery clinic, a laboratory and a dental clinic. Both CESARs were closed and the dental clinic had deteriorated structures. In addition, El Paraiso also had two closed community houses that were previously part of another project. The permanent staff from the Ministry of Health was concentrated in the CESAMO.

USAID|NEXOS trained the technical health unit from the mancomunidad in EAPS guidelines, highlighting the need to create spaces within the communities to provide preventive health care. In this context, **two HEALTH HOUSES** were created, attending each 7 villages with 2,800 inhabitants each, with all of SESAL's programs. Thus, 14 villages are separated from the CESAMO, using a space that was closed. In addition, the mancomunidad also restored 2 CESARs, increasing the health service coverage.

results. This plan is used by the service provider as a tool to monitor the implementation of the proposed strategies. To date, the plan shows a level of compliance above 70%, although due to the nature of these problems, the results will be achieved until next year.

- ii. Implementation of the National Basic Curriculum for Health Managers Training in MAMBOCAURE, specifically with the health network in Concepción de María. Training was given on the "Survey of Health Situation Analysis (ASIS) and Guidelines of Primary Health Care Teams (EAPS)" module.
- iii. Eight health service providers (COLOSUCA, Mambocaure - Concepción de María, Lepaera, MOCALEMPA, Gualcinse - San Andrés, Macuelizo, Protección and CHORTÍ) with capacity to prepare for the quarterly monitoring lead by the Ministry of Health. This strengthening is important because the results of this monitoring affect the application of the clause that refers to Grounds for Contractual Rescission¹². The Program assisted the service providers to overcome the difficulties presented in the first monitoring, prepare for the second and third monitoring and review compliance of the agreement, in order to increase or maintain their rating and avoid penalization.

Social Aspect:

- i. Design of checklist for developing open municipal health councils, based on the 18th clause of the health agreements, related to accountability.

As of this report, the Ministry of Health has developed two monitoring exercises to all health service providers, based on the agreements signed in 2014. The results show that more than 50% of the service providers assisted by the Program received ratings above 85%, avoiding the penalties stipulated in the agreements¹³.

Among the reasons that some service providers had rates below 85% are: replacement of technical health coordinator (COLOSUCA), changes on evaluation done by the health region (MOCALEMPA, MANCOSOL, Gualcinse and San Andres), and delays in disbursements.

The 2013 annual performance evaluation shows better results than the previous year.

| N° | Provider/ Mancomunidad | Beneficiary municipalities | | 2012 | | | Monitoring 2013 | | | 2014 | | | Performance Evaluation | |
|----|---------------------------|--------------------------------|-------------------------|------------------|-------------------|------------------|--------------------|-------------------|------------------|------------------|-------------------|------------------|---------------------------|------|
| | | Beneficiary municipalities | Total municipalities | First quarter | Second quarter | Third quarter | First quarter | Second quarter | Third quarter | First quarter | Second quarter | Third quarter | 2012 | 2013 |
| 1 | MAMBOCAURE | San Marcos de Colón and Duyure | 3 | 80% | 75% | 79% | 72% | 79% | 86% | 88% | 90% | 96% | 73% | 91% |
| | | Concepción de María | | 84% | 85% | 86% | 85% | 92% | 97% | 82% | 87% | 91% | 93% | 79% |
| 2 | MANCOSOL | Tambla, Tomalá, Valladolid, | 6 | 93% | 95% | 96% | 93% | 100% | 98% | 81% | 81% | 77% | 100% | 100% |

¹² This clause states that two of the grounds for termination of the agreement are: when the manager shows a low performance below 60% in two consecutive monitoring and obtains a result of performance evaluation (annual) equal or less than 60%.

¹³ The penalization corresponds to 5% of the budget when the ratings are between 85%-75%; 10% if ratings are between 75%-65%; 15% if ratings are between 65%-60%; and 20% if ratings are less than 60%.

| N° | Provider/ Mancomunidad | Beneficiary municipalities | | Monitoring | | | | | | | | | Performance Evaluation | |
|----|---------------------------|--|-------------------------|------------------|-------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|------------------|---------------------------|------|
| | | Beneficiary municipalities | Total municipalities | 2012 | | | 2013 | | | 2014 | | | 2012 | 2013 |
| | | | | First quarter | Second quarter | Third quarter | First quarter | Second quarter | Third quarter | First quarter | Second quarter | Third quarter | | |
| | | Guarita, Cololaca and San Juan Guarita. | | | | | | | | | | | | |
| 3 | MANCORSARIC | Copán Ruinas, Cabañas, San Jerónimo and Santa Rita. | 4 | 87% | 85% | 86% | 85% | 96% | 98% | N/D | N/D | N/D | 86% | 97% |
| 4 | COLOSUCA | San Manuel Colohete, San Marcos de Caiquín, Belén and San Sebastián. | 4 | 71% | 68% | 81% | 87% | 93% | 95% | 76% | 81% | 88% | 78% | 92% |
| 5 | MOCALEMPA | La Virtud, Piraera, Candelaria, Virginia and Mapulaca | 5 | 75% | 77% | 79% | 85% | 87% | 85% | 80% | 75% | 79% | 85% | 90% |
| 6 | CHORTI | Nueva Arcadia, San Nicolás, San Antonio, La Jigua and El Paraíso. | 5 | 85% | 87% | 86% | 85% | 86% | 99% | 90% | 91% | 89% | 80% | 97% |
| 7 | MACUELIZO | Macuelizo. | 1 | 78% | 73% | 76% | 75% | 77% | 85% | 91% | 92% | 92% | 78% | 91% |
| 8 | PROTECCIÓN | Protección. | 1 | 76% | 86% | 81% | 90% | 89% | 86% | 85% | 94% | 93% | 77% | 91% |
| 9 | LEPAERA | Lepaera. | 1 | 89% | 86% | 86% | 92% | 93% | 98% | 87% | 81% | 89% | 81% | 91% |
| 10 | GUALCINSE | Gualcinse and San Andrés | 2 | 78% | 82% | | 86% | 86% | 94% | 76% | 78% | 87% | | 94% |
| 11 | GRACIAS | Gracias | 1 | N/A | N/A | N/A | 92% | 99% | 95% | 85% | 89% | 94% | N/A | 99% |

Table 30: Assessment results per provider mancomunidad by year, to September 2014.

It is important to mention that the donation of medical equipment to the health service providers contributed to improve the results of the second monitoring done in July 2014, since licensing is one of the evaluated aspects. With this equipment, the service providers got the commitment from the health regions to grant operating authorization of health units.

As part of institutional strengthening, several workshops were held with the health service providers in which agreements were made for service improvement: issuance of municipal ordinances to contribute to the reduction of maternal and infant mortality, discuss health problems in meeting mandatory indicators and development and socialization of ASIS per municipality.

Furthermore, two exchanges were developed to share different experiences in health service provision. The first was done with the health coordination units from Concepción de María and San Marcos de Colón-Duyure, from MAMBOCAURE. The second was done with the service providers from Gualcinse, COLOSUCA, CHORTI, Macuelizo and Protección. These workshops were used to discuss the terms of the agreements, limitations faced in service provision and identifying alternative solutions.

Both the training processes and the technical assistance provided by the Program are helping the managers achieve their goals for reducing maternal and child mortality. Some managers, such as MANCOSOL, Gualcinse-San Andres and CHORTI have managed to maintain in zero the number of maternal and child mortalities since 2011. Other managers, such as COLOSUCA, are receiving more support in the implementation and monitoring of the plan for reduction of maternal and child mortalities. The challenge for 2015 is reducing to zero the number of preventable maternal deaths.

For the third consecutive year, USAID|NEXOS applied the Decentralized Primary Health Service Index in six mancomunidades (CHORTÍ, COLOSUCA, MAMBOCAURE, MANCOSOL, MAVAQUI and MOCALEMPA) and in three independent municipalities (Gualcinse, San Andres and Lepaera¹⁴), obtaining the following results:

| Mancomunidad | Institutional aspect | | | Technical aspect | | | Social aspect | | | Index rate | | |
|----------------------------|----------------------|-------|-------|------------------|-------|-------|---------------|-------|-------|------------|-------|-------|
| | 2012 | 2013 | 2014 | 2012 | 2013 | 2014 | 2012 | 2013 | 2014 | 2012 | 2013 | 2014 |
| CHORTÍ | 14.9% | 24.5% | 25.0% | 16.3% | 19.9% | 23.0% | 12.3% | 18.0% | 23.6% | 43.5% | 62.4% | 71.6% |
| COLOSUCA | 15.8% | 23.3% | 26.2% | 18.9% | 20.7% | 22.9% | 16.5% | 22.0% | 25.5% | 51.3% | 66.0% | 74.6% |
| MAMBOCAURE | 15.8% | 18.7% | 21.8% | 19.4% | 20.5% | 23.1% | 17.8% | 29.4% | 27.7% | 53.0% | 68.6% | 72.5% |
| MANCOSOL | 23.4% | 21.6% | 25.8% | 22.9% | 21.1% | 24.4% | 16.9% | 19.3% | 20.6% | 63.3% | 62.0% | 70.8% |
| MAVAQUI | 23.7% | 24.8% | 24.6% | 15.4% | 23.8% | 23.6% | 21.8% | 27.5% | 33.0% | 60.9% | 76.1% | 81.2% |
| MOCALEMPA | 17.0% | 19.8% | 22.2% | 19.4% | 21.2% | 23.6% | 14.1% | 18.5% | 21.3% | 50.6% | 59.5% | 67.2% |
| INDEPENDENT MUNICIPALITIES | 19.3% | 21.6% | 27.1% | 16.8% | 20.8% | 21.9% | 12.3% | 22.8% | 27.8% | 48.5% | 65.1% | 76.8% |

Table 31: Results of the application of the health index by aspect, year and service provider.

3.3.2. Problems Encountered and Remedial Actions

The main problems encountered during this period, and their proposed remedial actions, are shown in the following table:

| Issue | Description | Proposed Remedial Action |
|--|---|---|
| Delay in payments to service providers. | Disbursements for most service providers are delayed, which cause withdrawals of trained staff and availability of medicines. On the other hand, the compliance of goals established in the agreements is at risk. | Raise the issue in coordination meetings between ULAT-SESAL/DGD, and monitor the disbursements incurred in each mancomunidad. Budgetary problems in Central Government are adduced. |
| Monitoring done by the Departmental Health Regions (RDSs) without providing the technical tools and necessary financial resources. | The RDSs conducted the monitoring to see obligatory compliance of the National Strategy for the Prevention of Teenage Pregnancy (ENAPREAH), the Strategy Work of Individual, Family and Community (ETIFC) and the guidelines for the Primary Health Service Teams (EAPS). However, the staffs have not received training in | Among other necessities, urgent training is needed on the guidelines for the Primary Health Service Teams (EAPS), since the new health model emphasizes a family-community approach. 80% of the EAPS's activities are focused on health promotion and |

¹⁴ For the index's analysis by mancomunidad, Gracias was included in COLOSUCA and Proteccion and Macuelizo in MAVAQUI.

| Issue | Description | Proposed Remedial Action |
|---|---|--|
| | these areas and do not have the financial resources due to disbursement delays, which caused that most providers were not well evaluated. | prevention, however, there are no clear guidelines on their implementation (USAID NEXOS has prioritized this for next period). |
| Poor training to CCT to audit the health service. | The Citizens Commission of Transparency need training to audit the health service. In the new agreement, the 19th clause refers to "Social Transparency and Social Audit", stipulating that the service provider is subject to social audit instances, in order to guarantee transparency in management of funds and proper use of resources. However, in most municipalities the CCT is not trained to audit these services. | Coordination of efforts will increase with the proposal made by ULAT to improve community oversight. The Program will coordinate activities with Result one. |
| Implementation of AIN-C Strategy, especially in communities that do not have Mesoamerican Initiative funds. | This aspect was difficult to comply during SESAL's second monitoring, because the cost of implementing this strategy is high, in addition to the delay in disbursements. However, AIN-C indicator will be evaluated in the third monitoring. | The issue will be addressed within the Coordination Committee with SESAL and ULAT, to consider adjustments or short and medium term solutions. |

Table 32: Result 3 Obstacles and Remedial Actions

3.3.3. Programmed Activities for the Year 4, Semester 1 (Y4S1)

For next period, work will continue in these two main areas:

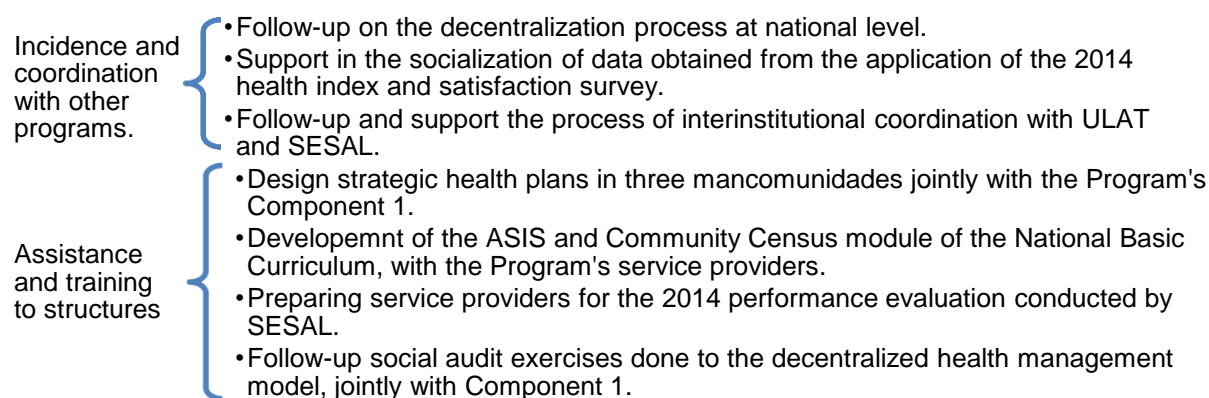


Figure 15: Result 3 programmed activities for Y4S1

3.4 Activity Area 1: Small grants

A. Achievements/Progress

The Grants Component had the following two main objectives during the reporting period.

- Finalize the delivery of medical equipment and furniture in-kind grant to nine Health Providers with an actual cost of US\$236,893.94, for an accumulated life-of-project amount

of US\$619,430.51 in in-kind grants (see accumulated In-kind grants for full details in annex F).

- Concentrate in the implementation of monetary grants to benefit Civil Society Organizations concentrated in the project geographic areas.

To this end, the following key activities were carried out:

- i) Fill the vacancy of the Grants Assistant position.
- ii) Establish the Evaluation Committee in charge of reviewing applications.
- iii) Orientation and support in procedures mandated by the Grants Guide approved by USAID and grant application process in response to the first RFA issued by the project at the end of the previous period. On April 25, 2014, a one-day workshop with participation of the Grants Manager, the DCOP, Evaluation Committee Members and other field and office staff to be involved in the grant process. At the same time, a review the RFA document was carried including a practical exercise of drafting a hypothetical application.
- iv) Prior to receiving the applications by the deadline of May 30, 2014, the Grants Manager concentrated in setting up all systems to process the applications.
- v) 36 applications complying with RFA requirements were received. The applications were divided in three lots (11, 12 and 13), to allow the Evaluation Committee Members to program the evaluations in an orderly manner.
- vi) Carry-out administrative/financial pre-survey in the field for first lot.
- vii) By the end of the period, six applications of the first lot had been approved by the COR (see CSO Monetary Grants for full details in annex G) for a total amount of US\$482,159.60. For five of these, grant agreements were signed September 29, 2014 committing US\$386,741.73. Initial disbursements for four of the grants in the amount of US\$61,272.86 were also executed by the end of the reporting period.

It is necessary to extend the period for submission of applications for the second following RFA. For the second RFA, the ceiling for grants will increase (the new range will be between US\$ 50K to 250K), the Environmental Impact Evaluation Form will be incorporated for those projects requiring it, and priority will be given to those organizations and beneficiary municipalities that have not previously received a grant.

The eligible organization to submit applications are: sector organizations of civil society with community orientation (water boards, associations of water boards, environmental organizations, community health committees, among others), community-based organizations (community boards, community development committees and other community organizations), organized groups (youth, women and others), citizen boards and other forms of community organizations to strengthen security, and local or regional Non-Government Organizations (NGOs).

The grant areas will remain the same as those considered for the first RFA: potable water, sewage, other forms of waste disposal, management and disposal of solid waste, education, health, roads, social cohesion and security.

B. Problems Encountered and Remedial Actions

Setting up all systems and orientation and adaptation of staff to the new monetary grant process was very time-consuming but necessary. The process of the second RFA will run much smoother now that the systems and process have been established.

The 30 day time-limit to submit applications was too short, and the project wisely extended it for 30 additional days to allow ample time for interested Civil Society Organizations (CSO) to present their proposals. For the second RFA, the period to submit applications will be extended from 30 to 45 calendar days.

C. Programmed Activities for the Year 4, Semester 1 (Y4S1)

- Finalize evaluation and processing of all applications of the first RFA.
- Proceed to prepare pre-approved applications for final concurrence to the COR.
- Send out official rejection letters for applications not approved.
- Provide ongoing guidance to grantees in management and reporting of their respective approved projects.
- Based on experience of first RFA process, edit the current RFA documents and attachments prior to issuing the second RFA.
- Process any in-kind grants approved by the COR.

3.5 Activity Area 2: Small infrastructure projects

A. Achievements/Progress

Between April and September 2014, USAID|NEXOS continued to execute activities for infrastructure projects in target municipalities, completing the definition of projects to be executed in the first stage of intervention (one project per municipality).

Of the 38 identified projects, 13 are oriented to improve the continuity in distribution and quality of water services; 11 to improve school centers; 11 to improve health centers and 3 to improve social cohesion. Graph 16 shows the distribution of SIP's interventions in 38 municipalities.

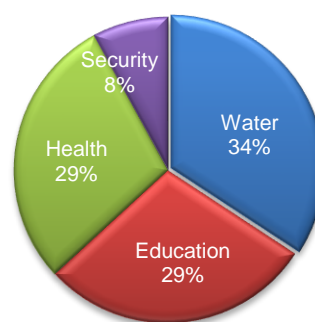


Figure 16: Percentage of projects formulated by area

The total estimated cost of the 38 identified projects amounts to US\$ 999,416.39, of which USAID|NEXOS contributes with 71% and the remaining 29% corresponds to local counterparts (civil society and municipality).

Twelve projects in eight municipalities were evaluated for the **pre-investment stage**, of which eight are in the formulation process.

Progress in the **investment** stage is described as follows:

- Completion of two projects in the municipalities of Copan Ruinas and Santa Rita. The first project, "Improvement to the Policarpo Bonilla Rural School in the, located in the village of El Quebracho, included the refurbishment of the technology classroom, construction of bathrooms, installation of water storage system, construction of accesses between buildings, internal and external gardens, plastering and smoothing of perimeter fence, classrooms and library, and installation of guardrails and handrails between accesses. The second project was the "Construction of Perimeter Fence for the Hector Bueso Arias Maternal and Child Clinic", located in the village El Jaral, municipality of Santa Rita.
- Currently, the Policarpo Bonilla School serves 90 students (57% girls and 43% boys), between first and sixth grade. The project will optimize education, security, health and environmental conditions for the students. Its completion is a joint effort among the parents' association, teachers' council, USAID|NEXOS and the municipality of Copan Ruinas.

The project for construction of the perimeter fence in the clinic in Santa Rita also included 100 meters of signaling of the clinic's front road and its proximities, and the installation of a water tank with capacity for 2,500 liters.

The perimeter fence will provide security for the patients, staff, buildings and equipment, also the property limits will be properly delimited. The clinics provides assistance to four municipalities: Santa Rita, Cabañas, Copan Ruinas and San Jeronimo. Among the services provided are: labor and child deliveries, child health for children under 5 years and emergency services for children over 5 years. Up to September 2014, the clinic has attended 543 child deliveries.

- Five ongoing projects, whose percentage of progress is shown below:

| Project Code | Municipality/Village | Project Description | % of Construction Progress | Population Served |
|-----------------------------|-------------------------------|--|----------------------------|-------------------------------------|
| MANCORSARIC SIP-2013-004 | Cabañas/Urban Area | Expansion and improvements to Municipal Health Center | 90% | 1,626 inhabitants of the urban area |
| MAVAQUI SIP-2013-006 | Protección/Urban Area | Expansion and improvements to Municipal Health Center "Teresa Sarmiento" | 70% | 3,100 inhabitants of the urban area |
| HIGUITO SIP-2013-007 | Cucuyagua/ Gualtaya | Improvements to rural health center | 90% | 1,772 inhabitants. |
| MAVAQUI SIP-2013-005 | Macuelizo/ Urban Area | Expansion and improvements to Municipal Health Center | 80% | 6,500 inhabitants. |
| MAVAQUI SIP-2013-009 | Nueva Frontera /Urban Area | Lighting of soccer field and multipurpose stage. | 90% | 4,086 inhabitants. |

Table 33: Progress in ongoing projects during April-September 2014.

- Two projects in the process of purchasing materials to begin construction in the coming period: construction of water storage tank with capacity for 25 thousand gallons (Tambla, Lempira), and construction of "Martiniano Diaz" Rural School (Leapera, Lempira).

Regarding the sustainability stage, the Program is working with civil society organizations participating in the projects' execution to analyze and discuss the sustainability plan, develop the annual activities program which includes the use and maintenance of infrastructure and develop the accountability procedure for the used municipal counterpart.

B. Problems Encountered and Remedial Actions

| Issue | Description | Proposed Remedial Action |
|--|--|---|
| The complexity of the purchasing process of materials to be delivered in remote areas. | Local vendors of construction materials are located in urban centers and materials need to be carried out distances with additional cost and time delays. | We expect that with the knowledge of our project by vendors, we will be attended quicker and more efficiently. |
| Non-compliance of the municipal counterpart. | The delay in the transfer of municipal funds causes delays in project execution, due to lack of payment for skilled labor and purchasing of materials. On the other hand, some mayors provided resources for less than the committed amount. | Make an official request to the mayor for the counterpart's deposit in a specific bank account, before the project's construction begins. |
| Delay in completion of small infrastructure projects. | In year 3, USAID NEXOS, despite having several ongoing projects, failed to achieve the goal set in the PMP, which is why the level of compliance was "below expectations". | The Program is taken actions to expedite small infrastructure project implementation such as: hiring to additional short term engineer. |

Table 34: USAID|NEXOS Small Infrastructure Projects - Key Activities for Year 4, Semester 1

C. Programmed Activities for the Year 4, Semester 1 (Y4S1)

For the next period, activities will be concentrated in the following three phases for execution of small infrastructure projects:

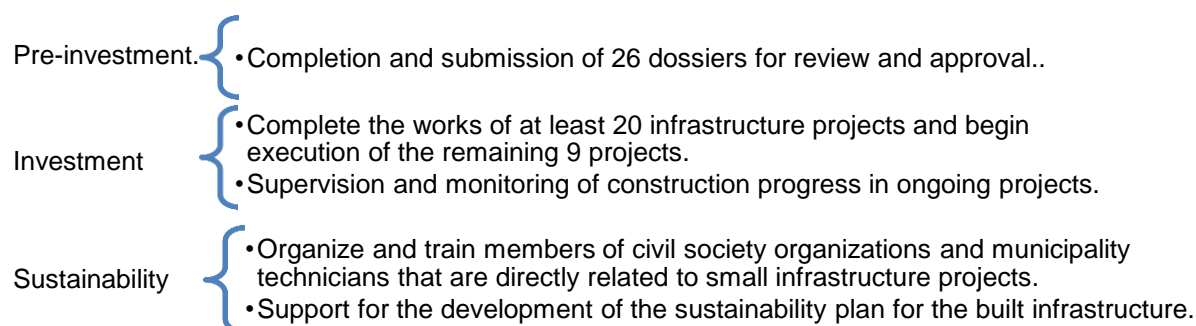


Figure 17: Small infrastructure projects programmed activities for Y4S1

3.6 Rapid Response Fund

During this semester, USAID|NEXOS carried out the following activities under this component:

- a) Formulation of strategic plan for the Inter-Municipal Technical Unit networks (UTIs)

To develop this plan, a workshop was held with the mancomunidades' technical units to obtain necessary information. Likewise, during this event, the units were strengthened through training for the decentralized health service management.

- b) Discussion on the mechanism to integrate financial information from taxpayers of municipal governments and the Executive Revenue Directorate (DEI).

In order to analyze the possible mechanisms of consensus and integration of financial information from taxpayers of local governments and DEI, the Program held a discussion with the participation of representatives from central government institutions (DEI, SDHJGD, PATH), the Association of Municipalities of Honduras (AMHON), the Metropolitan Area of the Sula Valley, 13 municipalities, USAID and USAID|NEXOS staff.

During this event, the summary of the financial analysis study made in 2012 was presented, as well as the guide to arrange a consultation process of taxpayers' information between the DEI and the municipalities of Honduras.

Among the topics discussed are: challenges for the exchange of information and possibilities to integrate databases and integration mechanisms. One of the main results was the creation of a commission composed by a representative from DEI, AMHON and the Decentralization Technical Unit, respectively, for purposes of initiating the process to exchange information.

4. Gender and Youth

Gender and youth issues were continued on the Program's work agenda, particularly in some target municipalities considered most likely to show results and in an effort to consolidate these activities.

4.1 Gender

During this period, 21 municipalities from six mancomunidades (CAFEG, CHORTÍ, COLOSUCA, MANCOSOL, MAMBOCAURE and MAVAQUI) continued implementing the women's agenda through the execution of 56 projects, mainly productive projects for income generation. The total investment amounts to more than 3 million lempiras, of which local governments provided approximately 1.4 million (45%), as part of the funds received from central government.

With the implementation of these projects, more than two thousand women are benefited, of which 10% are single mothers. Likewise, the average monthly income generated was to approximately 14, 000 lempiras. The women's network is actively involved in the projects'

execution, providing labor, local materials and cash money as counterpart, which is estimated in 400,000 lempiras.

The commitment and support given by the municipalities of Piraera, Gualcinse and San Andres to the women's networks is worth mentioning, approving 6 more projects in August 2014 (in addition to those already in execution), for a total of 168,000 lempiras.

USAID|NEXOS coordinated activities with USAID|ACCESO to implement agricultural projects, specifically for raising chickens, executed by women in the municipalities of Piraera, San Andres and Gualcinse. These municipalities covered transportation and food expenses for the participants. The women received training on appropriate chicken shed sizes in accordance to the number of hens, preparing food and water troughs to minimize initial investment costs, quantity of daily feed per hen, common diseases and their treatment, making handmade chicken feed, among others.

In the majority of municipalities where the women's networks have received municipal funds for project execution, these networks deliver monthly reports and liquidations to the WMO coordinator and to the municipal corporation on how these funds were invested.

Currently, women's networks are involved in monitoring the use of the financial resources provided by the municipalities for project execution. In the municipalities of CAFEG, MAMBOCAURE and MAVAQUI at least two members of the women's networks worked in coordination with the CCT and the MC in the social audits done to the projects executed as part of the women's agenda. During the next semester, the Program will monitor the results of these social audit exercises and inform them in the next semiannual report.

4.2 Youth

During the 2014 second quarter, USAID|NEXOS assisted the completion of the design of the priorities agenda for children, adolescents and youths, in the municipalities of San Marcos de Caiquin and Belen.

To execute this agenda, the municipalities received support from COLOSUCA (by coordinating visits to donors and other institutions and assistance to the mayors) to obtain funds from UNICEF, procuring a total of 3.2 million lempiras for five years. The funds are managed by COLOSUCA, which has hired two technicians to develop activities in both municipalities.

To date, children's community networks have been organized, children and youths have received workshops on educational guides for health prevention and care, and a Town Hall Meeting of the municipal council was held on the International HIV/AIDS Day and youth communicators have been organized. These actions allow municipal governments and citizens to appropriate of a key issue relating social cohesion and incorporate the issue of childhood and youth in the municipal agenda.

It is important to mention that the youths also received workshops on art, violence prevention, alcoholism, HIV/AIDS and awareness sessions to prevent teenage pregnancy.

5. Communication Strategy for the Program

During this period, the communication strategy was continued with the objective of disseminating information about the work done by USAID|NEXOS to strengthen institutional image, strategic alliances and promote good practices. The strategy that allows the joint work between civil society and local government is described in Result 1.

Several activities were developed, as described below:

- *Partnerships with national and local media (in the Program's area of influence). As a result of these partnerships, the Program's events received a wide media coverage, both locally and nationally, thus contributing the Program's positioning.*

| USAID NEXOS Event | Media Coverage |
|--|---|
| In Kind Donations (Decentralized Health Service Providers). | <p><u>Print Media</u> La Prensa Newspaper Tiempo Newspaper</p> <p><u>Television</u> TVC News, TELEVICENTRO TN5 News, TELEVICENTRO Hoy Mismo News, TELEVICENTRO Abriendo Brecha News, TELEVICENTRO Channel 10 Channel 28, MEGAVISION, Santa Rosa de Copán. Channel 34, Santa Rosa de Copán. Channel 49, Santa Rosa de Copán. Channel 30, Santa Rosa de Copán. Channel 31, GRT, Gracias; Lempira. Channel 12, Gracias; Lempira. Teleprogreso</p> <p><u>Radio</u> HRN Radio América Radio Caleb Radio, 107.5 Gracias; Lempira. Congolón Radio, Gracias; Lempira Galaxia 21 Radio, Gracias; Lempira.</p> |
| "Local Development Fair", sponsored by the National Autonomous University of Honduras (UNAH), through the "Local Development Technician" degree. | <p><u>Print Media</u> La Tribuna Newspaper</p> <p><u>Television</u> UNAH's TV Channel HCH Channel, "Hable Como Habla" TV Program</p> |
| Knowledge Fair, as part of CARE's 60th anniversary. | <p><u>Television</u> TVC News, TELEVICENTRO TN5 News, TELEVICENTRO Hoy Mismo News, TELEVICENTRO Abriendo Brecha <u>News</u></p> |
| SIP inaugural events: Project for improvement of infrastructure for the "Policarpo Bonilla" School, village "El Quebracho", Copan Ruinas. | <p><u>Print Media</u> La Prensa Newspaper Tiempo Newspaper</p> <p><u>Television</u> TVC News, TELEVICENTRO</p> |

| USAID NEXOS Event | Media Coverage |
|--|--|
| Project for improvement of infrastructure for the Maternal and Child Clinic "Hector Bueso Arias", village "El Jaral", Santa Rita, Copan. | TN5 News, TELEVICENTRO Hoy Mismo News, TELEVICENTRO Abriendo Brecha News, TELEVICENTRO Channel 10 Channel 28, MEGAVISION, Santa Rosa de Copán. Channel 30, Santa Rosa de Copán. Channel 34, Santa Rosa de Copán. Channel 49, Santa Rosa de Copán. <u>Radio</u> HRN Radio América Radio |

Table 35: Media Coverage in Program events.

- *Production of informational material for the Program.* Production was continued with monthly newsletters and field activities, which is distributed to strategic partners and media, among others. Furthermore, technical documentation and tools from the Program were diagrammed for the Digital Tool Box, updating these documents in the Development Experience Clearinghouse (DEC).
- *Updating of the website (www.usaidnexos.org) and social networks.* This is done on a monthly basis with news from the Program, newsletters, procurement processes, and slight improvements to the web page design are also made (incorporation of project maps and donations financed by the Program).
- *Participation in events for Program promotion.* During this period, USAID|NEXOS participated in two events: 1) "Local Development Fair", sponsored by the National Autonomous University of Honduras (UNAH), through the "Local Development Technician" degree, and 2) Knowledge Fair, as part of CARE's 60th anniversary. The Program, through its stand and technical staff, shared educational and promotional material (brochures, folders, technical information, and videos) and promoted the social networks and website. The Program also socialized experiences of the work it has done on local development within the target municipalities.

6. Training Events.

Between April and September 2014, the following training workshops were developed, with a minimum duration of 8 hours:

| Name of Training Event | Field of Study | Relationship to Program Objectives | Start & End Dates | Estimated Cost (HNL) | Number of Men | Number of Women | Total participants |
|---|---|------------------------------------|---|----------------------|---------------|-----------------|--------------------|
| Training on Women's Rights and Gender and Development of Work Plan | Gender and Youth | Result 1 | Apr-2014 | 8,880.0 | 1 | 32 | 33 |
| Training on Communication Strategies with COMAS and USCLs | Strengthening of CSOs related to water services | | Jun-Sept 2014 | 52,375.6 | 66 | 44 | 110 |
| Training on Work Plan and Roles with COMAS and USCLs | | | Apr-Sept 2014 | 60,174.4 | 83 | 47 | 130 |
| Development of Water Plan with Rural Water Management Boards | | | Apr-Jul 2014 | 140,713.5 | 165 | 72 | 237 |
| Training, Promotion and Reactivation of COMAS and USCLs | | | Apr-Aug 2014 | 78,958.8 | 94 | 54 | 148 |
| Laboratory on Water Quality Awareness | | | Apr-Jun 2014 | 20,423.0 | 59 | 18 | 77 |
| Strengthening and Role Based on the Municipal Educational Development Council (COMDE) Law | | | Strengthening of CSOs related to education services | Jun-Aug 2014 | 14,810.0 | 28 | 17 |
| Organization, Training on Citizenship and Work Plan (Youths) | Gender and Youth | | Apr-2014 | 19,620.0 | 7 | 20 | 27 |
| Regulation of Legal Status and Development of Work Plan with AJAAM | Strengthening of CSOs related to water services | | Jun-2014 | 5,171.0 | 9 | 6 | 15 |
| Roles of Water Boards and Fundamental Legal Aspects of the Water and Sanitation Sector Reform | | | Apr-2014 | 77,084.0 | 112 | 43 | 155 |
| Civil Society's Roles in Coordination and Planning for Water and Sanitation (COMAS and USCLs) | | | Jun-Sep 2014 | 33,633.4 | 47 | 24 | 71 |
| Workshop with Water Boards on Administrative and Financial Processes and Accountability. | | | Apr-Jun 2014 | 65,088.5 | 100 | 45 | 145 |
| Workshop on Transparency and Social Audit (MC and CCT) | Transparency and Social Audit | | Jul-Aug 2014 | 39,997.5 | 86 | 70 | 156 |
| Training on Use and Management of the Financial Accounting Module of the SAFT System | Strengthening of local governments. | Result 2 | Jun-2014 | 47,143.6 | 4 | 3 | 7 |
| Design and Implementation of Adjustment for Expansion of the Traditional Solid Waste Collection System | | | Aug 2014 | 39,318.1 | 7 | 6 | 13 |
| Training to Municipal Secretaries for Management of the Database Containing Agreements Between Municipal Government and Civil Society | | | Jul-2014 | 20,992.0 | 11 | 22 | 33 |
| Integrated Solid Waste Management | | | Jul-2014 | 141,349.0 | 19 | 7 | 26 |
| Second Conference for Better Practices in Municipal Government | | | Jun-2014 | 463,672.0 | 100 | 39 | 139 |
| Cadastral Reassessment Workshop | | | Apr-2014 | 299,472.7 | 26 | 3 | 29 |

| Name of Training Event | Field of Study | Relationship to Program Objectives | Start & End Dates | Estimated Cost (HNL) | Number of Men | Number of Women | Total participants |
|--|--|------------------------------------|-------------------|----------------------|---------------|-----------------|--------------------|
| Workshop "Revision of Responsibilities for Service Providers and Civil Society Representatives for Management of the COLOSUCA Agreement" | Strengthening of decentralized health service managers | Result 3 | Jun-2014 | 38,500.0 | 10 | 10 | 20 |
| Technical Exchange Between Decentralized Health Service Providers, Based on the Agreement | | | May-2014 | 70,790.7 | 26 | 17 | 43 |
| Application of ASIS in Accordance to Providers' Curriculum and AEPS Guidelines | | | Aug-2014 | 12,145.00 | 17 | 15 | 32 |
| Workshop for Training and Development of Institutional Strategic Work Plan for UTIs Network | Jun-2014 | | 79,934.90 | 9 | 3 | 12 | |
| Workshop to Municipal Councils on Solidary Support for the Decentralized Health Service Management | Apr-2014 | | 18,571.00 | 11 | 7 | 18 | |
| TOTAL | | | | 1,848,748.64 | 1,097 | 624 | 1,721 |

Table 36: Training events summary for Y3S2

By Result, 78.4%, 14.4% and 7.2% were trained under Component 1, 2 and 3, respectively. Of the total trained participants, 64% were men and the remaining 36% were women.

The Program evaluates the level of knowledge acquired by the participants before and after each workshop. To date, the evaluations of the workshops developed for Component 1 are still being processed. 43% of participants of the workshops for Components 2 and 3 rated their level of knowledge prior to the workshops as "very good", while 43% rated it as "good". After the workshop, 76% rated it as "very good" and only 24% as "good".

7. Deliverables Submitted

During the second half of the Program's third year, the work plan for year 4 and the fifth semiannual report were submitted to USAID. The status of these reports is summarized in the following table:

| Document | USAID approval status | Implementation Status |
|---|-----------------------|---------------------------------------|
| Fifth Semiannual Report (Oct. 2013 – Mar. 2014) | Approved | N/A |
| Work Plan for Year 4. | Approved | To be implemented starting Oct. 2014. |

Table 37: Deliverables submitted during the Program's third year.

Most deliverables are intended to clarify the methodological approach to be used in the Program's activities.

In the fourth year, USAID|NEXOS will emphasize efforts to systematize the implemented processes through the technical assistance and preparation of technical documents. At the closing of this report, ten deliverables are ready for publication.

8. Conclusions

- During this period, strengthening of local governments and civil society allowed a better coordination between these actors, contributing to the improvement of local services.
- Joint decision-making between civil society and local governments was promoted through participative mechanisms, generating agreements for improvement of water, sanitation, solid waste, education, health and social cohesion services.
- In A and B municipalities, work with civil society also generated joint agreements with local governments which resulted in obtaining support from these groups for the implementation of integrated solid waste management.
- The implementation of women's agenda contributed in the improvement of women's participation in decision-making, and have influence in prioritizing of projects and directly participate in their execution.
- Strengthening of women's groups or networks allowed for these to be included in social audit and accountability processes, encouraging a greater participation in the development of their municipalities.
- Implementing a communication strategy with civil society was fundamental in achieving consensus for service improvement and promotion of citizens' participation. The strategy is essential to create awareness in different sectors at the local level, mainly those that are closely related to the provision and delivery of local services (water and sanitation, health and education, among others). Moreover, the information available related to the quality, coverage and service sustainability caused the service providers to generate dialogue opportunities around these issues, a situation that increased the sensitivity of civil society on the importance of their participation in management and social control of services.

- The rural water plans prepared by the different water boards are management tools that express the set of actions and investments necessary to improve the quality and continuity of service in rural areas. Under this technical support, the Program influences so the AJAAMs can mobilize technical and financial resources to enable implementation.
- With the implementation of recovery of arrears, 12 municipalities raised over six million of lempiras from tax payments and late service fees. In total, these same municipalities had an increase of more than 10% in investments for improvement of water, health and social cohesion services, for two consecutive years (2013 and 2014). There are other services such as roads and education, in which investment showed increases of 46% and 12% respectively, compared to 2013, however, the amounts do not exceed those of 2012.
- USAID|NEXOS is promoting models for provision of water and sanitation services in accordance to the target municipalities' needs and context. In Corquín, Cucuyagua, San Pedro and Lepaera, where the public service units are being strengthened, illegal users were identified, the sustainability of the service was analyzed and in at least two municipalities the newly approved service tariffs are being billed.
- Municipalities like San Nicolas and Azacualpa also show political will to gradually promote a model where services are provided by a decentralized municipal unit with civil society's participation.
- The decentralization of the road maintenance service promoted in CAFEG began with the implementation and creation of the UTMV and FOVIMA. This shows the interest of the member municipalities to improve this service.
- In A and B municipalities, solid waste and slaughterhouse services were also strengthened through the implementation of the recommendations done by the technical team hired by USAID|NEXOS.
- The decentralized health service providers assisted by the Program are prepared for the next monitoring and evaluation exercises conducted by SESAL.
- Inter-institutional coordination with the Ministry of Health and ULAT enabled the design of a Training Plan for Decentralized Health Service Providers, which will strengthen four major technical areas (planning, organization, management and evaluation), not only for providers assisted by USAID|NEXOS, but for providers nationwide.
- For the second consecutive year, the Decentralized Primary Health Service Index was applied in 28 municipalities that are part of 11 service providers. The municipality of Virginia (MOCALEMPA) showed the lowest score (51%), while Gracias, which manages its own agreement, has the highest score (83.4%). Gracias began implementing the decentralized health service in 2013, showing in a short period of time its capacity as a manager in all assessed areas.
- The three variables evaluated in the aforementioned index show positive variations: the institutional aspect increased by 1.9%, the technical aspect by 2.2% and the social aspect by 3.8% compared to last year. This last aspect needs improvement since the agreements establish an accountability clause that requires that the provider must submit, at least once a year, a report of delivered services and management. Likewise, the provider must be subject of the social audit instances, in order to guarantee transparency in fund management and proper use of resources.
- The universe of target municipalities evaluated by the index obtained a high score, except for Gracias and Proteccion who obtained a very high score.

- According to the results from the 2014 first and second monitoring, conducted by SESAL, the providers who need strengthening for the third monitoring are: COLOSUCA, MAMBOCAURE (Concepción de María), MOCALEMPA, Lepaera, Gualcinse and San Andrés.
- It is necessary to train the staff from the health network in the application of the family-community survey, which has a new format that is unknown to them and is obligatory in the communities where the EAPS are implemented. This information will enrich the Family-Community Census (CEFASA), which in turn generates the database of indicators necessary for the construction of the ASIS.
- The integrated water service index is another impact indicator evaluated by the Program during this period. In 2014, the index averaged 60.5%, with a positive variation of 3.7 percentage points compared to 2013, with a minimum score of 39% and the highest score of 77.6%.
- During this period, the Program achieved an "acceptable" or "above expectations" performance on the majority of the goals established in the monitoring plan. For the next period, the Program will focus on activities to accomplish the goals not achieved during this period.
- The delivery of medical equipment to nine providers of decentralized health services will benefit more than 300,000 people receiving these services. In addition, monetary donations to five civil society organizations will strengthen the Program's actions to improve water and road services, benefiting more than twenty-four thousand people.
- The execution of infrastructure projects requires further progress to meet the goals established in the monitoring plan. However, USAID|NEXOS took the necessary actions to ensure the completion of projects in year four (strengthening of the areas of infrastructure and acquisitions, among others).
- As with the grants, the projects executed by USAID|NEXOS are complementing activities promoted by other components of the Program for local service improvement.
- For the Program's fourth year, the main challenges will focus on achieving the increase of municipalities' own revenues, increase on the investment for service improvement and complete the infrastructure projects, in accordance to the PMP's provisions.

9. Annexes

Annex A: Quality control process of the decentralized primary health service index data.

The application of this index was developed in three stages: (i) planning and induction; (ii) collection of field information; and (iii) quality control, for which two consultants were hired and the Program's permanent staff was directly involved (territorial coordinators, Monitoring and Evaluation staff and Component 3 staff).

After completing the first two stages, quality control was done to the obtained data. Each of the tables designed in Excel were revised, in which the data is registered for each assessed aspect and for each service provider, making a double entry of data, correcting typing errors and incoherent formulas. Subsequently, an analysis was made for each score obtained by the providers, and were compared to those obtained in previous years. This analysis allowed to select a sample of 11 municipalities to conduct field visits in order to verify inconsistent information. During these visits new interviews were held to obtain additional support documentation and correct inconsistencies.

| No. | Municipality | Initial Score | Revised Score | Variation |
|-----|---------------------|---------------|---------------|-----------|
| 1 | Tambla | 70.5% | 69% | -1.5% |
| 2 | Tomalá | 74.9% | 70.1% | -4.8% |
| 3 | Valladolid | 73.6% | 72.2% | -1.4% |
| 4 | Guarita | 72.7% | 71.2% | -1.5% |
| 5 | San Juan Guarita | 75.5% | 70.9% | -4.6% |
| 6 | Cololaca | 72.6% | 71.2% | -1.4% |
| 7 | San Marcos de Colón | 76.6% | 76.9% | -0.3% |
| 8 | Duyure | 64.2% | 65.6% | -1.4% |
| 9 | Concepción de María | 75.1% | 75.1% | 0% |
| 10 | Gualcinse | 76.9% | 76.9% | 0% |
| 11 | San Andrés | 74.8% | 74.8% | 0% |

Table 38: Sample of municipalities in which adjustments were made to the initial health index score.

Among the support documentation obtained during the field visits are: municipal ordinances and health plans done by volunteers and service providers. The list of the providers' hired health personnel was also reviewed, to verify the criteria of quantity and quality. The monthly budget execution was also reviewed, which shows details related to criteria evaluated by the index. Another reviewed aspect was the access to health units and availability of medications. Finally, the corresponding corrections were made to the tables for each municipality.

Annex B: 2014 Score of the Decentralized Primary Health Services Index

| Municipality | Application Date 2014 | Institutional Aspect | | | Technical Aspect | | | Social Aspect | | | Index Score | | |
|-----------------------|-----------------------|----------------------|-------|-------|------------------|-------|-------|---------------|-------|-------|-------------|-------|-------|
| | | 2012 | 2013 | 2014 | 2012 | 2013 | 2014 | 2012 | 2013 | 2014 | 2012 | 2013 | 2014 |
| COPAN | | | | | | | | | | | | | |
| Cabañas | N/D | 23.9% | 29.5% | N/D | 16.8% | 22.1% | N/D | 20.0% | 14.0% | N/D | 60.7% | 65.6% | N/D |
| Copán Ruinas | N/D | 19.1% | 29.4% | N/D | 14.3% | 23.3% | N/D | 20.0% | 14.3% | N/D | 53.4% | 67.0% | N/D |
| Corquín | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Cucuyagua | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| La Jigua | 18-jun-14 | 17.2% | 23.9% | 25.9% | 13.4% | 20.7% | 23.4% | 11.7% | 13.7% | 20.7% | 42.3% | 58.2% | 70.0% |
| Nueva Arcadia | 20-jun-14 | 12.7% | 23.9% | 24.0% | 18.4% | 19.6% | 22.2% | 15.3% | 13.7% | 22.3% | 46.5% | 57.1% | 68.6% |
| San Antonio | 17-jun-14 | 16.2% | 24.9% | 24.5% | 14.3% | 18.8% | 21.6% | 12.3% | 17.3% | 22.3% | 42.8% | 61.0% | 68.5% |
| San Jerónimo | N/D | 18.5% | 29.6% | N/D | 16.9% | 22.1% | N/D | 20.0% | 16.0% | N/D | 55.4% | 67.7% | N/D |
| San Nicolás | 19-jun-14 | 13.6% | 25.4% | 25.7% | 19.0% | 20.4% | 24.6% | 10.0% | 27.3% | 29.0% | 42.6% | 73.2% | 79.3% |
| San Pedro | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Santa Rita | N/D | 19.6% | 28.6% | N/D | 18.3% | 19.3% | N/D | 17.3% | 11.3% | N/D | 55.2% | 59.2% | N/D |
| CHOLUTECA | | | | | | | | | | | | | |
| Concepción de María | 02-jun-14 | 11.0% | 17.8% | 19.9% | 17.3% | 17.6% | 19.8% | 9.9% | 26.7% | 35.3% | 38.1% | 62.0% | 75.1% |
| Duyure | 04-jun-14 | 19.5% | 17.0% | 20.6% | 20.6% | 24.6% | 24.4% | 21.7% | 25.0% | 20.7% | 61.7% | 66.7% | 65.6% |
| San Marcos de Colón | 03-jun-14 | 16.8% | 21.1% | 24.8% | 20.5% | 19.4% | 25.1% | 21.9% | 36.7% | 27.0% | 59.2% | 77.2% | 76.9% |
| LEMPIRA | | | | | | | | | | | | | |
| Gracias | 06-jun-14 | N/A | 24.4% | 24.0% | N/A | 23.2% | 22.3% | N/A | 22.3% | 37.0% | N/A | 69.9% | 83.4% |
| Belén | 05-jun-14 | 14.3% | 24.4% | 25.7% | 20.8% | 23.1% | 24.9% | 14.7% | 19.3% | 23.7% | 49.8% | 66.8% | 74.3% |
| Candelaria | 03-jun-14 | 15.0% | 19.3% | 20.8% | 19.8% | 21.8% | 22.1% | 14.3% | 14.7% | 25.0% | 49.2% | 55.7% | 67.9% |
| Cololaca | 20-jun-14 | 24.4% | 21.2% | 25.8% | 21.9% | 21.5% | 25.1% | 17.0% | 14.7% | 20.3% | 63.3% | 57.3% | 71.2% |
| Gualcince | 04-jun-14 | 20.4% | 23.4% | 27.7% | 15.2% | 23.6% | 22.1% | 12.7% | 25.0% | 27.0% | 48.3% | 72.0% | 76.9% |
| Guarita | 09-jun-14 | 23.2% | 21.8% | 25.8% | 25.1% | 21.8% | 25.1% | 20.7% | 22.3% | 20.3% | 68.9% | 65.9% | 71.2% |
| La Virtud | 18-jun-14 | 19.0% | 21.1% | 26.2% | 21.4% | 20.1% | 25.1% | 22.0% | 23.0% | 17.0% | 62.4% | 64.2% | 68.4% |
| Lepaera | 04-jun-14 | 20.1% | 23.6% | 25.9% | 19.7% | 18.2% | 22.3% | 11.7% | 24.3% | 30.7% | 51.4% | 66.1% | 78.9% |
| Mapulaca | 12-jun-14 | 13.8% | 19.6% | 20.2% | 19.5% | 24.1% | 24.2% | 8.3% | 21.3% | 22.0% | 41.6% | 65.0% | 66.4% |
| Piraera | 04-jun-14 | 18.4% | 20.2% | 23.1% | 17.9% | 19.2% | 22.8% | 16.0% | 22.0% | 25.0% | 52.3% | 61.4% | 70.9% |
| San Andrés | 05-jun-14 | 17.4% | 17.8% | 27.7% | 15.5% | 20.6% | 21.4% | 12.7% | 19.0% | 25.7% | 45.6% | 57.4% | 74.8% |
| San Juan Guarita | 09-jun-14 | 22.2% | 21.9% | 25.8% | 23.5% | 21.0% | 24.8% | 13.3% | 15.7% | 20.3% | 59.0% | 58.6% | 70.9% |
| San Manuel Colohete | 12-jun-14 | 17.0% | 21.5% | 27.8% | 20.1% | 19.9% | 21.2% | 16.0% | 25.3% | 25.3% | 53.1% | 66.7% | 74.3% |
| San Sebastián | 11-jun-14 | 15.5% | 22.5% | 27.0% | 14.3% | 19.7% | 22.9% | 18.1% | 19.0% | 19.0% | 47.9% | 61.2% | 69.0% |
| Tambla | 07-jun-14 | 24.5% | 22.8% | 25.6% | 21.6% | 20.8% | 23.1% | 18.3% | 16.3% | 20.3% | 64.4% | 59.9% | 69.0% |
| Tomalá | 07-jun-14 | 22.5% | 19.8% | 25.8% | 22.9% | 22.9% | 24.0% | 15.3% | 24.0% | 20.3% | 60.8% | 66.6% | 70.1% |
| Valladolid | 19-jun-14 | 23.9% | 22.1% | 25.9% | 22.7% | 18.5% | 24.3% | 17.0% | 23.0% | 22.0% | 63.5% | 63.5% | 72.2% |
| Virginia | 12-jun-14 | 19.0% | 18.6% | 20.6% | 18.4% | 21.0% | 24.0% | 10.0% | 11.3% | 17.7% | 47.4% | 51.0% | 62.3% |
| San Marcos de Caiquín | 10-jun-14 | 16.5% | 23.9% | 26.5% | 20.5% | 17.4% | 23.1% | 17.3% | 24.0% | 22.3% | 54.4% | 65.4% | 71.9% |
| SANTA BÁRBARA | | | | | | | | | | | | | |
| Macuelizo | 11-jun-14 | 26.8% | 24.6% | 24.2% | 15.0% | 23.3% | 22.2% | 17.0% | 24.0% | 33.0% | 58.9% | 71.9% | 79.4% |
| Protección | 12-jun-14 | 20.7% | 25.0% | 25.1% | 15.7% | 24.2% | 24.9% | 26.7% | 31.0% | 33.0% | 63.0% | 80.2% | 83.0% |
| San Marcos | N/A | 22.4% | N/A | N/A | 22.6% | N/A | N/A | 19.3% | N/A | N/A | 64.3% | N/A | N/A |

Table 39: Primary health service index's score, according to evaluated variable and municipality.

Annex C: Quality Control Process for the Water Service Index Data

This process was developed under the following steps: i) revision of the data registered in each municipality's matrix; ii) delivery of found inconsistencies in the matrixes to the consultant; iii) field visits in selected municipalities; iv) cross-checking of data obtained during the field visits with the data registered in the matrixes; and v) correction of found inconsistencies.

The first stage was developed in all the municipalities where the index was applied. However, for the field visits, the municipalities that were selected had to meet certain criteria related to the amount of urban water boards, amount of users per board and accessibility. Thus, field visits were done in 14 municipalities, representing 41% of the total municipalities in which the index was applied.

| No. | Municipality | Urban Provider | Rural Provider |
|-----|--------------------|--|--|
| 1 | Protección | Urban water board. | JAA ¹⁵ Pueblo Nuevo |
| 2 | Nueva Frontera | No field visit was done because of lack of evidence of data inconsistency. | JAA El Ermitaño JAA Piladeros |
| 3 | Azacualpa | Municipality | No field visit was done because of lack of evidence of data inconsistency. |
| 4 | San Antonio | JAA San Antonio | No field visit was done because of lack of evidence of data inconsistency. |
| 5 | San Nicolás | Municipality | JAA El Porvenir |
| 6 | Nueva Arcadia | No field visit was done because of lack of evidence of data inconsistency. | JAA Los Tangos JAA Las Bodegas |
| 7 | Cucuyagua | Municipality | JAA San José de Las Palmas |
| 8 | San Pedro de Copán | Municipality | JAA Boca del Monte |
| 9 | La Virtud | Urban water board. | JAA Guajiniquil JAA La Haciendita |
| 10 | Tambla | Urban water board. | No field visit was done because of lack of evidence of data inconsistency. |
| 11 | Tómala | No field visit was done because of lack of evidence of data inconsistency. | JAA Santa Juana |
| 12 | Gracias | Municipality | JAA El Sile |
| 13 | Lepaera | Municipality | JAA La Estancia JAA Tejeras |
| 14 | Belén | Urban water board. | Not performed |

Table 40: Field visits done in municipalities to verify data consistency of the water index.

In the last stage, the findings of the field visits and the original data were cross referenced, resulting in the final matrixes with each municipality's index score.

¹⁵ Water Board.

Annex D: 2014 Score for the Integrated Water Service Index

| Municipality | Application Date 2014 | Technical Aspects | | | Civil Society | | | Institutional Strength | | | Index Score | | |
|-----------------------|-----------------------|-------------------|-------|-------|---------------|-------|-------|------------------------|-------|-------|-------------|-------|--------|
| | | 2012 | 2013 | 2014 | 2012 | 2013 | 2014 | 2012 | 2013 | 2014 | 2012 | 2013 | 2014 |
| COPAN | | | | | | | | | | | | | |
| Cabañas | N/A | 16.5% | 16.0% | N/D | 28.7% | 28.0% | N/D | 17.5% | 17.2% | N/D | 62.8% | 61.2% | N/D |
| Copán Ruinas | N/A | N/A | N/D | N/D | N/A | N/D | N/D | N/A | N/D | N/D | N/A | N/D | N/D |
| Corquín | 02-jul-14 | 17.0% | 23.5% | 20.5% | 25.0% | 21.0% | 30.0% | 11.4% | 14.3% | 15.7% | 53.4% | 58.8% | 66.2% |
| Cucuyagua | 11-jul-14 | 20.5% | 21.0% | 22.5% | 22.0% | 24.0% | 27.0% | 10.4% | 13.2% | 18.2% | 52.9% | 58.2% | 67.7% |
| La Jigua | 11-sep-14 | 16.0% | 20.5% | 24.0% | 25.2% | 32.0% | 25.0% | 8.1% | 14.6% | 13.2% | 49.2% | 67.1% | 62.2% |
| Nueva Arcadia | 12-sep-14 | 17.0% | 22.5% | 23.0% | 23.1% | 21.0% | 12.0% | 7.5% | 10.9% | 10.0% | 47.6% | 54.4% | 45.0% |
| San Antonio | 10-sep-14 | 20.3% | 24.5% | 21.5% | 25.9% | 27.0% | 26.0% | 8.4% | 9.2% | 10.8% | 54.5% | 60.7% | 58.3% |
| San Jerónimo | N/A | 21.0% | 18.0% | N/D | 22.1% | 25.0% | N/D | 7.2% | 9.9% | N/D | 50.3% | 52.9% | N/D |
| San Nicolás | 09-sep-14 | 19.0% | 23.0% | 23.5% | 21.8% | 22.0% | 21.0% | 7.3% | 12.4% | 12.5% | 48.1% | 57.4% | 57.0% |
| San Pedro | 08-sep-14 | 19.0% | 25.5% | 24.0% | 23.0% | 16.0% | 22.0% | 11.6% | 13.1% | 15.6% | 53.6% | 54.6% | 61.6% |
| Santa Rita | N/A | 20.0% | 21.0% | N/D | 17.3% | 23.0% | N/D | 9.3% | 13.4% | N/D | 46.6% | 57.4% | N/D |
| CHOLUTECA | | | | | | | | | | | | | |
| Concepción de María | 09-jul-14 | 11.0% | 14.5% | 14.5% | 11.0% | 22.0% | 24.0% | 10.0% | 10.6% | 10.6% | 32.0% | 47.1% | 49.08% |
| Duyure | 02-jul-14 | 17.5% | 18.5% | 17.0% | 13.0% | 8.0% | 29.0% | 9.6% | 13.3% | 10.8% | 40.1% | 39.8% | 56.8% |
| San Marcos de Colón | 03-jul-14 | 17.5% | 18.0% | 21.0% | 6.0% | 10.0% | 5.0% | 8.8% | 10.2% | 13.0% | 32.3% | 38.2% | 38.95% |
| LEMPIRA | | | | | | | | | | | | | |
| Gracias | 17-jul-14 | 20.0% | 23.0% | 24.5% | 15.0% | 16.0% | 15.0% | 10.3% | 13.7% | 14.0% | 45.3% | 52.7% | 53.5% |
| Belén | 14-jul-14 | 21.0% | 18.0% | 20.5% | 27.0% | 28.0% | 30.0% | 10.8% | 15.9% | 16.3% | 58.8% | 61.9% | 66.8% |
| Candelaria | 05-sep-14 | 18.0% | 18.0% | 16.5% | 28.0% | 27.0% | 27.0% | 7.4% | 12.9% | 13.7% | 53.4% | 57.9% | 57.2% |
| Cololaca | 24-jul-14 | 21.5% | 24.0% | 24.5% | 24.0% | 25.0% | 32.0% | 13.3% | 21.0% | 21.1% | 58.8% | 70.0% | 77.6% |
| Gualcinse | 03-sep-14 | 18.5% | 21.5% | 15.5% | 27.0% | 27.0% | 27.0% | 8.5% | 9.2% | 11.7% | 54.0% | 57.7% | 54.2% |
| Guarita | 30-jul-14 | 21.0% | 19.0% | 21.5% | 27.0% | 27.0% | 26.0% | 7.8% | 14.6% | 17.4% | 55.8% | 60.6% | 64.9% |
| La Virtud | 17-jul-14 | 18.5% | 21.0% | 21.5% | 25.4% | 27.0% | 30.0% | 9.5% | 14.4% | 18.0% | 53.4% | 62.4% | 69.5% |
| Lepaera | 13-ago-14 | 10.1% | 16.5% | 18.5% | 22.0% | 19.0% | 24.0% | 9.7% | 13.8% | 17.3% | 41.8% | 49.3% | 59.8% |
| Mapulaca | 15-jul-14 | 15.5% | 19.0% | 17.5% | 28.7% | 33.0% | 35.0% | 8.0% | 10.7% | 18.0% | 52.1% | 62.7% | 70.5% |
| Piraera | 04-sep-14 | 20.0% | 17.5% | 16.0% | 27.9% | 27.0% | 23.0% | 7.2% | 9.4% | 12.7% | 55.0% | 53.9% | 51.7% |
| San Andrés | 02-sep-14 | 18.5% | 18.0% | 20.0% | 28.0% | 24.0% | 24.0% | 8.4% | 10.9% | 13.0% | 54.9% | 52.9% | 57.0% |
| San Juan Guarita | 04-jul-14 | 17.0% | 22.5% | 21.0% | 23.0% | 26.0% | 31.0% | 16.6% | 18.4% | 18.4% | 56.6% | 66.9% | 70.4% |
| San Manuel Colohete | 02-jul-14 | 18.5% | 21.5% | 20.0% | 28.0% | 27.0% | 32.0% | 8.7% | 11.6% | 12.9% | 55.2% | 60.1% | 64.9% |
| San Sebastián | 09-jul-14 | 15.0% | 19.5% | 23.0% | 24.0% | 27.0% | 28.0% | 10.4% | 13.2% | 16.1% | 49.4% | 59.7% | 67.1% |
| Tambla | 24-jul-14 | 20.0% | 15.5% | 16.0% | 26.0% | 24.0% | 28.0% | 8.5% | 11.2% | 14.3% | 54.5% | 50.7% | 58.3% |
| Tomalá | 01-ago-14 | 21.0% | 22.0% | 26.5% | 26.0% | 22.0% | 22.0% | 7.4% | 12.4% | 15.3% | 54.4% | 56.4% | 63.8% |
| Valladolid | 06-ago-14 | 17.5% | 15.5% | 17.5% | 29.0% | 27.0% | 29.0% | 7.6% | 11.5% | 11.5% | 54.1% | 54.0% | 58.0% |
| Virginia | 21-jul-14 | 10.0% | 11.0% | 12.0% | 32.0% | 32.0% | 32.0% | 10.7% | 12.5% | 19.7% | 52.7% | 55.5% | 63.7% |
| San Marcos de Caiquín | 04-jul-14 | 22.5% | 23.5% | 28.5% | 27.0% | 27.0% | 37.0% | 9.0% | 10.8% | 11.3% | 58.5% | 61.3% | 76.8% |
| SANTA BÁRBARA | | | | | | | | | | | | | |
| Azacualpa | 05-sep-14 | 21.0% | 23.0% | 20.5% | 23.0% | 21.0% | 22.0% | 4.5% | 12.2% | 10.9% | 48.5% | 56.2% | 53.4% |
| Macuelizo | 06-sep-14 | 14.5% | 19.0% | 19.0% | 17.0% | 18.0% | 18.0% | 10.5% | 12.6% | 12.6% | 42.0% | 49.6% | 49.6% |
| Protección | 04-sep-14 | 24.0% | 25.0% | 22.5% | 23.0% | 27.0% | 25.0% | 6.6% | 14.2% | 10.3% | 53.6% | 66.2% | 57.8% |
| Trinidad | 27-sep-13 | 24.5% | 21.3% | 26.0% | 12.0% | 17.0% | 27.0% | 10.4% | 14.6% | 15.5% | 46.9% | 52.9% | 68.5% |
| Nueva Frontera | 03-sep-14 | 21.0% | 21.5% | 20.5% | 23.0% | 27.0% | 27.0% | 8.0% | 14.4% | 11.4% | 52.0% | 62.9% | 58.9% |

Table 41: Integrated water service index score, by evaluated variable and municipality.

Annex E: Agreements Established Between Local Government and Civil Society in C and D Municipalities.

| Municipality | Local Service | Agreements | Agreement/Date |
|---------------------|----------------------|---|--------------------------------|
| Nueva Frontera | Solid Wastes | <ul style="list-style-type: none"> Socialize the fees to be charged for solid waste services, which are considered in the 2014 Tax Plan. The municipality is committed to the sustainability of the garbage collection project for 6 months (from March to August 2014). Civil society supports and is committed to sustain the project starting September 2014. | N/A 25/04/2014 |
| Concepción de María | Solid Wastes | <ul style="list-style-type: none"> Re-develop the profile for the project "Waste Management and Plan", considering the reduction of the proposed fee (90 lempiras per month), since the assembly perceives it is a high fee. | Agreement N° 08 29/04/2014 |
| Virginia | Water and Sanitation | <ul style="list-style-type: none"> The municipal corporation has agreed to contribute L.100, 000 to the AJAAM, pay the design for the Congolon Project and approve the Municipal Water and Sanitation Plan. | Agreement N° 02 29/04/2014 |
| Mapulaca | Water and Sanitation | <ul style="list-style-type: none"> Approve the Water Plan and support the communities in finding solutions for the water sector. | Agreement N° 09 17/05/2014 |
| Protección | Water and Education | <ul style="list-style-type: none"> Schedule the election of the water board's new directors and delegate to it the solid waste management project (proposed election date: June 1, 2014). The municipal corporation approved the amount of L. 170,000 for the construction of a roof for the multipurpose court in the "Florencio Martinez" school. | Agreement N° 10 26/05/2014 |
| Lepaera | Social Cohesion | <ul style="list-style-type: none"> The municipal corporation ratifies 20% of the annual budget for the youth network. Construction of a playground in the municipality's urban area. Implementation of workshop schools for skilled training (masonry, carpentry, mechanics, among others), adapted to the needs of each community. Creation of recreational spaces in communities that have none. Open 4 youth small businesses in communities with no small business intervention. | Agreement N° 28/05/2014 |
| Concepción de María | Health | <p>The community boards, deputy mayors and civil society agree to:</p> <ul style="list-style-type: none"> Conduct a diagnostic of needed projects in their communities. Provide workforce for approved projects in health, water, education, roads, among others. Protect water sources. Participate in cleanup campaigns. Ensure that children assist daily to school. | Agreement N° 11 02/06/2014 |
| La Virtud | Water and Sanitation | <ul style="list-style-type: none"> Approve the Municipal Water Plan and socialize it with all the municipality's water boards to be used as a work tool in the water and sanitation component. | Agreement N° 165 02/06/2014 |
| San Andrés | Health | <p>The municipal corporation, in coordination with the health and education sectors, agreed to the following:</p> <ul style="list-style-type: none"> Cleaning and maintenance of streets. Follow up on local health ordinances. Communities must organize with the water boards regarding waste waters and prevent these from being disposed off in the streets. Sanction neighbors who do not comply with these agreements. | Agreement N° 116 05/06/2014 |
| Tambla | Health | <p>During the session between health service providers and health committees, the following agreements were made:</p> <ul style="list-style-type: none"> Include a representative from the health committees' network in the provider's board. Include a representative from the health network to participate in the service provider's technical meetings. The promoter will call the network representative to participate in the provider's technical meetings and will meet with each network to coordinate the provider's plan with the municipal networks' annual work plan. Submit these agreements in a minute when meeting the board of directors of the mancomunidad of SOL. | 10/06/2014 |

| Municipality | Local Service | Agreements | Agreement/Date |
|---------------------|---------------|--|--------------------------------|
| Tomalá | Health | <ul style="list-style-type: none"> The municipality and health promoters agree to hold a meeting with people who are not satisfied with the provider's services, in order to find solutions jointly. The provider, represented by Dr. Justo Adolfo Padilla, agrees to socialize with the water boards the weaknesses and problems due to lack of chlorination in the water systems. The municipal technical team agreed to schedule a follow up meeting to prepare the municipal health policy. Voluntary staff, with the promoter's support, should have a list of well-defined responsibilities for each organization level. Prepare the Health Situation Analysis (ASIS) jointly with health volunteers and community leaders. The municipal government agrees to support the activities established in the volunteer network's and the provider's work plan. The municipality and technical health team will hold a municipal institutional meeting to socialize the 2014 ASIS. Likewise, the municipality will solicit support in a coordinated way for investment and solutions to health problems in the municipality. The health committees' network and other volunteers agreed to be included in all activities contained in the plan to improve health services. The municipality and technical health staff agreed to link the network's work plan with the health service provider's work plan. The municipal government agreed to allocate resources in the municipal budget for health related activities and that are contemplated in the municipality's ASIS. | 11/06/2014 |
| Macuelizo | Health | <ul style="list-style-type: none"> The municipal corporation agrees to follow up on the recommendations given by the accountability report done to the decentralized health service model, such as: improve infrastructure and equipment of health centers, nurses' care for patients, holiday schedules for medical staff and employment assistance control. | Agreement N° 18 27/06/2014 |
| Macuelizo | Sewage | Community Assembly: <ul style="list-style-type: none"> Participants agree to start the sewage project and the proposed monthly fee. If the monthly fee is not paid, the service will be suspended. To reconnect the service, the fee will be charged in one payment plus interests for late payment. Hold another community assembly to discuss water issues. | Agreement N° 01 15/07/2014 |
| Concepción de María | Education | The municipal corporation agrees to: <ul style="list-style-type: none"> Invest 12.5% of the budget that corresponds to the education sector in accordance to the plan presented by the COMDE. Issue mandatory municipal ordinances so that all 5 year-old children enter kindergarten, and children ages 6-12 stay in school. Establish an education policy to improve indicators in 2014, keeping a direct communication with the COMDE. Hold two open municipal councils every year to discuss education topics, in coordination with the municipal council. The COMDE agrees to: <ul style="list-style-type: none"> Train the Educational Development Schools (CED) and develop a diagnostic of the municipality's educational situation. Implement social oversight and inform the municipal corporation and the rest of the population on educational outcomes. Establish strategies with the municipal corporation and other institutions to follow up on the Strategic Plan, Monitoring Plan and Incentive Plan. | Agreement N° 14 25/07/2014 |
| San Andrés | Education | <ul style="list-style-type: none"> Restructure the COMDE. Provide 200 school days this year. Parents agree to send their children to school from February 1st to November 30th 2014, also to enroll and send 5 year olds to the nearest preschool and enroll school-age children from 1st to 9th grade. The National Preventive Police agrees to monitor teachers, parents and students to meet their educational duties. The municipal corporation agrees to improve infrastructure in five schools and furnish eight schools. | Agreement N° 123 18/08/2014 |

Annex F: Accumulated In-kind Grants.

| Date | Grantee | Purpose | Budget amount approved in USD | USAID NEXOS expense to date in USD |
|--------------|--|--|-------------------------------|------------------------------------|
| 02/15/2013 | 30 municipalities | Computer/Electronic Equipping and Furniture for municipal units and civil society entities | 357,857.14 | 327,368.16 |
| 10/17/2013 | Municipality of San Marcos de Colon, Choluteca | Computer/Electronic Equipping and Furniture for municipal units and civil society entities | 11,928.57 | 11,769.20 |
| 10/16/2013 | Municipality of Nueva Arcadia (La Entrada), Copan | Computer/Electronic Equipping and Furniture for municipal units and civil society entities | 11,928.57 | 11,769.20 |
| 10/18/2013 | Municipality of Gracias, Lempira | Computer/Electronic Equipping and Furniture for municipal units and civil society entities | 11,928.57 | 11,769.20 |
| 10/15/13 | Mancomunidad COLOSUCA, Gracias, Lempira | Equipping of Laboratory to process tests for 20 Health Provider Units | 11,092.51 | 7,348.50 |
| 10/15/2013 | Mancomunidad CHORTI, Nueva Arcadia (La Entrada), Copan | Equipping of Laboratory to process tests for 16 Health Provider Units | 19,003.42 | 12,512.32 |
| 10/15/2013 | Municipality of Gracias, Lempira | Equipping of 11 Health Provider Units | 43,090.88 | 29,396.06 |
| 10/15/2013 | Municipality of Macuelizo, Santa Barbara | Equipping of 8 Health Provider Units | 34,933.45 | 23,831.17 |
| 10/15/2013 | Municipality of Proteccion, Santa Barbara | Equipping of 3 Health Provider Units | 32,443.40 | 22,132.49 |
| 10/15/2013 | Mancomunidad MANCOSOL, Tambla, Lempira | Equipping of 15 Health Provider Units | 44,514.22 | 30,367.05 |
| 10/15/2013 | Mancomunidad of MANBOCAURE, Choluteca | Equipping of 9 Health Provider Units of San Marcos de Colon and Duyure | 39,039.05 | 26,631.96 |
| 10/15/2013 | Mancomunidad MOCALEMPA, Mapulaca, Lempira | Equipping of 15 Health Provider Units | 38,837.23 | 26,494.28 |
| 10/15/2013 | Mancomunidad of MAMBOCAURE, Choluteca | Equipping of 12 Health Provider Units of Concepcion de Maria | 37,846.71 | 25,818.56 |
| 10/15/2013 | Municipality of Lepaera, Lempira | Equipping of 11 Health Provider Units of Lepaera and La Iguala | 36,165.54 | 24,671.68 |
| 10/15/2013 | Municipality of Gualcinse, Lempira | Equipping of 13 Health Provider Units of Gualcinse and San Andres | 40,385.81 | 27,550.70 |
| Total | | | 770,995.07 | 619,430.51 |

Annex G: CSO Monetary Grants Year 3.

| Date | Grantee and Beneficiary Organization if Applicable | Project Name | Usaid Nexos Grant Budget In USD | Cost-Sharing Budget in Usd | Total Budget in usd | Execution Period in Months | Date Agreement Signed | Usaid Nexos disbursement to Date in Usd |
|---|---|--|---------------------------------|----------------------------|---------------------|----------------------------|-----------------------|---|
| 4/29/2014 | Junta Administradora de Agua, Belén Centro | Improved Administration and Access to Water Service in Belén, Lempira | 101,296.83 | 103,047.68 | 204,344.51 | 12 | 9/29/2014 | |
| 5/30/2014 | Organización Desarrollo Integral Alternativo (DIA)/ Red Regional de Comisiones Ciudadanas de Transparencia de Occidente | Transparency with Citizen Participation to Transform. | 95,417.87 | 79,765.23 | 175,183.10 | 12 | | |
| 5/30/2014 | Fundación BANHCAFE para el Desarrollo de las Comunidades Cafeteras de Honduras (FUNBANHCAFE) | Equitable and Sustainable Access to Quality Water in 5 Communities of the Nueva Arcadia Municipality in the Copán Department | 98,544.34 | 44,117.63 | 142,661.97 | 12 | 9/29/2014 | 19,357.61 |
| 5/30/2014 | Fundación Helvetas Honduras. | Local Service System for Management of Third Category Roads. | 100,818.01 | 21,223.00 | 122,041.01 | 12 | 9/29/2014 | 19,804.23 |
| 5/16/2014 | Junta Administradora de Agua y Saneamiento de la Comunidad de Agualote. | Improvement of 2,215 Meters of Pipeline for the Potable Water System | 17,652.47 | 5,710.85 | 23,363.32 | 3 | 9/29/2014 | 8,668.93 |
| 5/30/2014 | Organismo Integral de Desarrollo de Honduras (O.I.D.H) | Strengthening of Social Initiatives for Water Quality Improvement in 4 Municipalities of the Department of Copán. | 68,430.08 | 14,329.97 | 82,760.05 | 12 | 9/29/2014 | 13,442.09 |
| Total Amount Of Grants - October 1, 2013 To September 30, 2014 | | | 482,159.60 | 268,194.36 | 750,353.96 | | | 61,272.86 |
| TOTAL ACCUMULATED AMOUNT OF GRANTS - LIFE OF PROJECT | | | 482,159.60 | 268,194.36 | 750,353.96 | | | 61,272.86 |

Annex H: Summary of Small Infrastructure Projects (SIP). September 2014.

| # | Municipality | Community | Code | Name | Status | Total cost estimated of SIP (USD) | Estimated NEXOS' contribution (USD) | Contribution (USD) | Attended Service |
|----|------------------------|-------------------------|--------------|--|---------------|-----------------------------------|-------------------------------------|--------------------|------------------|
| 1 | San Sebastián | Agua Fria - La Chorrera | SIP-2013-001 | Repair water storage tank. | Completed | 6,984.25 | 4,127.11 | 2,857.14 | Water |
| 2 | Copán Ruinas | El Quebracho | SIP-2013-002 | Improvements to the premises of the "Policarpo Bonilla" Rural School | Completed | 30,850.00 | 23,000.00 | 7,850.00 | Education |
| 3 | Santa Rita | El Jaral | SIP-2013-003 | Construction of Perimeter Fence for the Maternal and Child Clinic "Hector Bueso Arias" | Completed | 35,062.04 | 23,627.84 | 11,434.20 | Health |
| 4 | Cabañas | Urban Area | SIP-2013-004 | Expansion and improvement of the Municipal Health Care Unit (CESAMO) | Execution | 30,252.38 | 18,818.16 | 11,434.22 | Health |
| 5 | Macuelizo | La Flecha | SIP-2013-005 | Completion of Rural Health Center in La Flecha | Execution | 59,404.49 | 33,900.79 | 25,503.70 | Health |
| 6 | Protección | Urban Area | SIP-2013-006 | Expansion and improvement to the "Teresa Sarmiento" Health Care Unit (CESAMO) | Execution | 47,028.40 | 21,524.70 | 25,503.70 | Health |
| 7 | Cucuyagua | Gualtaya | SIP-2013-007 | Improvements to the Gualtaya Rural Health Center. | Execution | 22,574.32 | 15,710.14 | 6,864.18 | Health |
| 8 | Azacualpa | Urban Area | SIP-2013-008 | Improvements to the water distribution network | Completed | 39,690.56 | 21,169.96 | 18,520.60 | Water |
| 9 | Nueva Frontera | Urban Area | SIP-2013-009 | Lighting of public spaces | Execution | 43,460.23 | 23,500.00 | 19,960.23 | Security |
| 10 | San Manuel de Colohete | El Cipres | SIP-2013-010 | Improvement to "El Cipres" Kindergarten | Formulation | 27,746.19 | 21,000.00 | 6,746.19 | Education |
| 11 | Belén | | SIP-2013-011 | | To be defined | | | | |
| 12 | San Marcos de Caiquín | Urban Area | SIP-2013-012 | Construction of Maternal and Child Home | Formulation | 60,789.30 | 45,789.30 | 15,000.00 | Health |
| 13 | Gracias | La Asomada | SIP-2013-013 | Remodeling of "Ruben Villeda Bermudez" Health Center | Formulation | 23,739.49 | 22,700.68 | 1,038.81 | Health |

| # | Municipality | Community | Code | Name | Status | Total cost estimated of SIP (USD) | Estimated NEXOS' contribution (USD) | Contribution (USD) | Attended Service |
|----|------------------|---------------------|--------------|---|---------------|-----------------------------------|-------------------------------------|--------------------|------------------|
| 14 | Lepaera | Rural Area | SIP-2013-014 | Remodeling of "Martiniano Diaz" Rural Elementary School | Approved | 56,545.49 | 34,045.49 | 22,500.00 | Education |
| 15 | Tambla | Urban Area | SIP-2013-015 | Construction and repair of water tanks | Approved | 24,748.92 | 15,225.92 | 9,523.00 | Water |
| 16 | San Juan Guarita | Urban Area | SIP-2013-16 | Construction of technological classroom | Formulation | n/d | n/d | n/d | |
| 17 | Cololaca | El Obraje | SIP-2013-017 | Construction of water system | Formulation | n/d | n/d | n/d | Water |
| 18 | Trinidad | Urban Area | SIP-2013-018 | Juan Lindo High School | Formulation | 23,242.22 | 15,742.22 | 7,500.00 | Education |
| 19 | Candelaria | Urban Area | SIP-2013-019 | Improvements to Career Center | Approved | 58,446.11 | 48,446.11 | 10,000.00 | Education |
| 20 | Gualcinse | Aldea Tenango | SIP-2013-020 | Expansion and improvement to Ciriaco Rodriguez School | Formulation | 40,116.30 | 27,461.56 | 12,654.74 | Education |
| 21 | San Andrés | Urban Area | SIP-2013-021 | Expansion of Technical School | Formulation | 58,804.34 | 39,080.72 | 19,723.62 | Education |
| 22 | Mapulaca | Urban Area | SIP-2013-022 | Remodeling of Manuel Bonilla School | Formulation | 55,714.52 | 36,351.26 | 19,363.26 | Education |
| 23 | La Virtud | Urban Area | SIP-2013-023 | Construction of Maternal and Child Home | Formulation | 61,716.83 | 45,000.00 | 16,716.83 | Health |
| 24 | Corquín | Village Potrerillos | SIP-2013-024 | Improvements to Rural Health Center | Formulation | 42,500.00 | 25,000.00 | 17,500.00 | Health |
| 25 | San Pedro | Several Aldeas | SIP-2014-025 | Improvement of water supply system | Formulation | n/d | n/d | n/d | Water |
| 26 | San Antonio | Urban Area | SIP-2014-026 | Improvement of water supply system | Formulation | n/d | n/d | n/d | Water |
| 27 | La Jigua | La Tejera | SIP-2014-027 | Reparation of "Estrellas Fugaces" Kindergarten | Formulation | n/d | n/d | n/d | Education |
| 28 | Nueva Arcadia | Urban Area | SIP-2014-028 | Reparation of "Dionisio de Herrera" School | Formulation | n/d | n/d | n/d | Education |
| 29 | San Nicolas | Urban Area | SIP-2014-029 | Lighting of soccer field and multipurpose court | Formulation | n/d | n/d | n/d | Social Cohesion |
| 30 | San Geronimo | Urban Area | SIP-2014-030 | | To be defined | n/d | n/d | n/d | |

| # | Municipality | Community | Code | Name | Status | Total cost estimated of SIP (USD) | Estimated NEXOS' contribution (USD) | Contribution (USD) | Attended Service |
|--------------|---------------------|------------|--------------|--|-------------|-----------------------------------|-------------------------------------|----------------------|------------------|
| 31 | Tomala | Urban Area | SIP-2014-031 | Central Park | Formulation | n/d | n/d | n/d | Social Cohesion |
| 32 | Guarita | Urban Area | SIP-2014-032 | Health Center | Formulation | n/d | n/d | n/d | Health |
| 33 | Valladolid | Urban Area | SIP-2014-033 | Improvements in the water supply system. | Formulation | n/d | n/d | n/d | Water |
| 34 | Piraera | San Felipe | SIP-2014-34 | Expansion and remodeling of CESAR | Formulation | n/d | n/d | n/d | Health |
| 35 | GUALCINSE | Urban Area | SIP-2014-035 | Reparation of "Dionisio de Herrera" School | Formulation | n/d | n/d | n/d | Education |
| 36 | San Marcos de Colón | Urban Area | SIP-2014-036 | Improvements in the sewage system. | Formulation | 100,000.00 | 100,000.00 | n/d | Water |
| 37 | Concepción de María | Urban Area | SIP-2014-037 | Improvements in the water supply system. | Formulation | 50,000.00 | 50,000.00 | n/d | Water |
| 38 | San Marcos de Colón | Urban Area | SIP-2014-038 | Improvements in the sewage system. | Formulation | n/d | n/d | n/d | Water |
| TOTAL | | | | | | \$ 999,41639 | \$ 711,221.96 | \$ 288,194.43 | |

Annex I. People Trained by Result (April-September 2014).

| Workshop | Type of Participant | | | | Total |
|--|---------------------|--------------|--------------|--------------------|-------|
| | Civil Society | Municipality | Mancomunidad | Central Government | |
| Result 1: Civil Society Advocacy for Improved Local Services Increased * | | | | | |
| Training on Women's Rights and Gender and Development of Work Plan | 32 | 1 | 0 | 0 | 33 |
| Training on Communication Strategies with COMAS and USCLs | 48 | 59 | 1 | 2 | 110 |
| Training on Work Plan and Roles with COMAS and USCLs | 60 | 66 | 1 | 3 | 130 |
| Development of Water Plan with Rural Water Management Boards | 207 | 27 | 2 | 1 | 237 |
| Training, Promotion and Reactivation of COMAS and USCLs | 66 | 79 | 1 | 2 | 148 |
| Strengthening and Role Based on the Municipal Educational Development Council (COMDE) Law | 30 | 14 | 0 | 1 | 45 |
| Laboratory on Water Quality Awareness | 74 | 2 | 0 | 1 | 77 |
| Organization, Training on Citizenship and Work Plan (Youths) | 24 | 3 | 0 | 0 | 27 |
| Regulation of Legal Status and Development of Work Plan with AJAAM | 14 | 1 | 0 | 0 | 15 |
| Roles of Water Boards and Fundamental Legal Aspects of the Water and Sanitation Sector Reform | 137 | 18 | 0 | 0 | 155 |
| Workshop on Transparency and Social Audit (MC and CCT) | 138 | 16 | 1 | 1 | 156 |
| Civil Society's Roles in Coordination and Planning for Water and Sanitation (COMAS and USCLs) | 30 | 41 | 0 | 0 | 71 |
| Workshop with Water Boards on Administrative and Financial Processes and Accountability. | 130 | 9 | 5 | 1 | 145 |
| SUBTOTAL | 990 | 336 | 11 | 12 | 1,349 |
| Result 2: Local Institutional Capacity to Deliver Decentralized Services Strengthened | | | | | |
| Training on Use and Management of the Financial Accounting Module of the SAFT System | 0 | 6 | 1 | 0 | 7 |
| Design and Implementation of Adjustment for Expansion of the Traditional Solid Waste Collection System | 0 | 13 | 0 | 0 | 13 |
| Training to Municipal Secretaries for Management of the Database Containing Agreements Between Municipal Government and Civil Society | 0 | 30 | 3 | 0 | 33 |
| Integrated Solid Waste Management | 2 | 20 | 4 | 0 | 26 |
| Second Conference for Better Practices in Municipal Government | 6 | 130 | 3 | 0 | 139 |
| Cadastral Reassessment Workshop | 0 | 25 | 4 | 0 | 29 |
| SUBTOTAL | 8 | 224 | 15 | 0 | 247 |
| Result 3: Structures and Systems to Implement Reform Strengthened | | | | | |
| Workshop "Revision of Responsibilities for Service Providers and Civil Society Representatives for Management of the COLOSUCA Agreement" | 8 | 4 | 8 | 0 | 20 |
| Technical Exchange Between Decentralized Health Service Providers, Based on the Agreement | 24 | 5 | 13 | 1 | 43 |
| Application of ASIS in Accordance to Providers' Curriculum and AEPS Guidelines | 29 | 0 | 2 | 1 | 32 |
| Workshop for Training and Development of Institutional Strategic Work Plan for UTIs Network | 0 | 0 | 12 | 0 | 12 |
| Workshop to Municipal Councils on Solidary Support for the Decentralized Health Service Management | 0 | 7 | 10 | 1 | 18 |
| SUBTOTAL | 61 | 16 | 45 | 3 | 125 |
| GRAND TOTAL | 1,059 | 576 | 71 | 15 | 1,721 |

Annex J. Contract Financial Execution.

| CLIN No. | Description | Contract Funding | Amount Vouchered April - September 2014 | Total Amount Vouchered to September 2014 | Amount Remaining |
|----------|------------------------------|---------------------|---|--|--------------------|
| 1 | Civil Society Advocacy | \$5,716,626 | \$702,362 | \$3,371,703.58 | \$2,344,922.42 |
| 2 | Local Institutional Capacity | \$5,838,337 | \$618,009 | \$3,465,389.26 | \$2,372,947.74 |
| 3 | Structures & Systems | \$3,256,748 | \$342,276 | \$2,098,828.97 | \$1,157,919.03 |
| 4 | Small Grants Mechanism | \$2,502,500 | \$265,438 | \$746,586.74 | \$1,755,913.26 |
| 5 | Small Infrastructure | \$997,500 | \$214,050 | \$518,471.39 | \$479,028.61 |
| 6 | Rapid Response Fund | \$688,275 | \$36,638 | \$108,654.43 | \$579,620.57 |
| | Total | \$18,999,986 | \$2,178,773 | \$10,309,634 | \$8,690,352 |